

# Anti-Dumping Transition Review Questionnaire (Producer) Case TD0017: Hot Rolled Flat and Coil Products exported from the People's Republic of China

Period of Investigation (POI):	1 April 2021 – 31 March 2022
Injury period:	1 April 2018 – 31 March 2022
Deadline for response:	4 July 2022
Contact details:	TD0017@traderemedies.gov.uk
Completed on behalf of:	Tata Steel UK Ltd

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

- Confidential  
 Non-Confidential – will be made publicly available

Your completed response must comprise this questionnaire and the corresponding annex. Please note that you will have to provide a **Confidential** and a **Non-Confidential** version of both the questionnaire and annex, as well as any additional documents you append. All documents should be uploaded to the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by 4 July 2022.

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# Introduction

## About us, this case and this questionnaire

The Trade Remedies Authority (TRA) investigates whether trade remedies are needed to prevent injury to UK industry. The TRA has been established to provide the UK with its own independent trade remedies system.

As part of our work, we are carrying out a transition review of each trade remedy measure active under the EU system that the United Kingdom (UK) has decided to maintain after EU exit.

This transition review will consider whether dumped imports of Hot Rolled Flat and Coil products from the People's Republic of China are likely to continue or recur if the measure was removed and whether injury would be likely to continue or recur to the UK industry if this measure was removed.

## Why should I take part?

We are asking domestic producers of Hot Rolled Flat and Coil products to complete this questionnaire to inform our review of whether the current anti-dumping measure should be maintained, varied or revoked.

The information your company provides will help us to reach a fair and proportionate decision.

## How do I respond?

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

Please provide all the information requested by 4 July 2022. We may need to issue a deficiency notice if we determine that the information supplied in the questionnaire is incomplete or inadequate. We may also send a notice requesting clarification or supplementary information if necessary. Therefore, please provide as much detail as possible in your responses.

## Where can I find more information?

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

If you have any specific questions relating to the case, now or while you're completing the questionnaire, please contact the Case Team at TD0017@traderemedies.gov.uk

You can also find out more about the regulatory basis of our investigations. The TRA investigates cases under the provisions of *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 as Amended by the Trade Remedies (Amendment) (EU Exit) Regulations 2019* and under the *Taxation (Cross-border Trade) Act 2018*.

## Instructions on completing this questionnaire

### Preparing your response

This section sets out guidance on how to complete this questionnaire.

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

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

### How to answer the questions

Please read and follow all the instructions carefully. Your company will need to substantiate all claims with relevant data and information. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all these documents, your completed spreadsheet annexes and any calculations you made when developing your responses.

Please also note the following points:

- Do not leave any questions blank. If the question is not relevant to your organisation, please explain why. If the answer to a question is "zero", "no" or "none", please write this.
- Please complete the spreadsheet annexes as requested. Annexes are named to correspond to the relevant sections of this questionnaire and must be completed with reference to the instructions provided. If you feel you cannot present the information as requested, please contact your Case Team as soon as possible.
- Please provide all formulas and calculations used within your questionnaire response.
- If there is insufficient space in any part of the questionnaire to provide the details requested, or we ask for copies of additional information, please submit this information as appendices. Please ensure that any attachments are given a

corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.

- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g., 23/05/2019).
- Unless otherwise stated, 'year' or 'calendar year' refers to the period 1 January – 31 December and 'quarter' refers to the associated three-month periods (e.g., 1 January – 31 March, 1 April – 30 June, etc).
- Identify all units of measurement and currencies used in tables, calculations and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g., do not use kg and metric tonnes interchangeably).
- For all numerical figures, where appropriate please express every third number with a comma (e.g., '1,300' for one-thousand three hundred, '1,300,000' for one million and three-hundred thousand).
- Please limit all sales/currency/income figures to two decimal places, apply a full point as a decimal separator and use the appropriate currency symbol or abbreviation (e.g., £1,300.00).
- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, please indicate this in the relevant answer, and explain the variance from actual costs, if any.
- All figures should be reported net of tax unless otherwise stated.
- Please refer to the case number, TD0017, in any correspondence with the TRA.

## Preparing confidential and non-confidential versions

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

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

In preparing your response, please note the following:

- It is your responsibility to ensure that the non-confidential version does not contain any confidential information.
- Remember to include a statement explaining why information obtained in your response should be treated as confidential (e.g., the data is commercially sensitive).
- Provide the source for all information or data you don't own and clearly state any restrictions on sharing it.

- If you do not provide a non-confidential summary (or a statement of reasons why you cannot provide this) each time you provide confidential information, the TRA may disregard the information you give us.

All information provided to the TRA in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019*) and will be stored in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on [www.trade-remedies.service.gov.uk/public/cases](http://www.trade-remedies.service.gov.uk/public/cases).

## Providing information from subsidiaries or associated parties

Section A of this questionnaire includes detailed questions about your company structure. Although this questionnaire is intended for your company, our investigation covers all subsidiaries and any other associated companies involved in the import, production, sale, R&D, distribution and/or supply of the like good and/or goods subject to review.

Please note, both natural persons (individuals) and legal persons (e.g. companies) are considered to be associated where they meet the definition of 'Related Persons' in [Regulation 128 of the Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#).

- If any of your subsidiaries or associated companies are also a UK producer of like goods, they should **also** complete a Producer questionnaire. Please make sure you provide your subsidiaries with access to it.
- Where your subsidiaries or associated companies are not producers but are involved in the sales of the like goods, your questionnaire response should include information from those companies.

If you have any queries about this part of the process, please contact the Case Team using the details provided on the cover of this questionnaire.

## What happens next

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

- you will receive an email confirming the documents have been uploaded successfully
- the Case Team will contact you if further information is required
- the non-confidential responses will be placed on the public file; and

- the Case Team may contact you to arrange a visit to verify the information contained in your responses.

## Verifying the information you supply

The TRA will verify, as far as possible, the information provided to it. As part of this process, we may conduct verification visits. If we need to verify information that you provide by visiting your premises, the Case Team will contact you to arrange this.

Visits can last several days, during which we will want to speak to management and staff to help establish the completeness, relevance and accuracy of the information provided.

Please keep a record of formulas and steps used in your calculations and other related material/documentation as it may be asked for during verification.

In some circumstances verification visits may be conducted remotely.

Please indicate any dates when you would be unable to host a verification visit.

We will remain at your convenience to discuss the most suitable dates for a verification visit.
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Appendix reference:
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Once verification is complete, the TRA will prepare a report and share a draft with you. The TRA will then ask you to prepare a non-confidential copy of the report for the public record. If you feel some information in the report should be kept confidential, please provide your reasons for this.



## The scope of this review

### Goods subject to review

This review covers certain hot-rolled flat products of iron, non-alloy or other alloy steel exported from the People's Republic of China, described as:

Certain flat-rolled products of iron, non-alloy steel or other alloy steel, whether or not in coils (including 'cut-to-length' and 'narrow strip' products), not further worked than hot-rolled, not clad, plated or coated.

The following product types are excluded: Products of stainless steel and grain-oriented silicon electrical steel; products of tool steel and high-speed steel; products, not in coils, without patterns in relief, of a thickness exceeding 10mm and of a width of 600mm or more; products, not in coils, without patterns in relief, of a thickness of 4.75mm or more but not exceeding 10mm and of a width of 2.05m or more.

These products are currently classifiable within the following CN code(s):

72 08 10 00 00	72 08 40 00 00	72 11 19 00 10
72 08 25 00 00	72 08 52 10 00	72 25 19 10 90
72 08 26 00 00	72 08 52 99 00	72 25 30 90 00
72 08 27 00 00	72 08 53 10 00	72 25 40 60 90
72 08 36 00 00	72 08 53 90 00	72 25 40 90 00
72 08 37 00 10	72 08 37 00 90	72 08 54 00 00
72 26 19 10 90	72 08 38 00 10	72 08 38 00 90
72 08 39 00 10	72 08 39 00 90	72 08 40 00 10
72 08 40 00 90	72 11 13 00 00	72 26 91 91 00
72 11 14 00 10	72 11 14 00 90	72 26 91 99 00
72 11 19 00 90		

The commodity code 72 26 19 10 90 was replaced by commodity codes 72 26 19 10 91 and 72 26 19 10 95 on 9 July 2021.

These codes are only given for information.

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

## Like goods

This questionnaire asks for information about your company's production and sales of goods which are **like** the goods subject to review. Any reference to '**like goods**' in this questionnaire refers to goods produced in the UK or imported to the UK from a country other than the People's Republic of China which are like the goods subject to review in all respects, or with characteristics closely resembling them.

**Please follow the instructions for each question to provide the appropriate information regarding the like goods or goods subject to review.**

## SECTION A: Company structure and operations

### A1 Identity and contact details

1. Please complete the table below, ensuring that the point of contact given has the authority to provide this information:

Legal name of company:	Tata Steel UK Limited
Legal structure (e.g., limited company, sole trader, partnership etc):	Private Limited Company
Year of establishment:	1988
Other operating names:	-
Company registration number:	02280000
Place of registration:	London
Name (point of contact):	[Personal details redacted]
Position:	[Personal details redacted]
Address:	18, Grosvenor Place, SW1X 7HS
Telephone No:	[Personal details redacted]
Email:	[Personal details redacted]
Website:	www.tatasteeleurope.com

2. If you have appointed an external party to act on your behalf in this review, please provide their details and attach a letter confirming the TRA should contact them directly:

Name:	
Address:	
Telephone No.:	
Email:	
Confirm they have signed authority to act (Yes/No):	
Appendix reference:	

## A2 About your company

1. Describe the role of your company in the UK market for the like goods (e.g., producer, producer/exporter, producer/importer or producer/distributor).

Tata Steel UK Ltd. (TSUK) is a domestic producer of the like goods. TSUK also occasionally imports insignificant volumes of the like goods from third countries, but not the country concerned.

Appendix reference:

2. Please provide details of any changes in the legal form of your business over the past 5 years, for example, mergers, acquisitions and/or sales.

Date	Legal form	Explanation of change
N/A		

+Add additional rows as required.

3. List and explain all authorisations your company has been required to obtain to produce, sell, or to export the like goods. These may include licences, permits, permissions or mining concessions. Indicate if your company is subject to any direct or indirect, quantitative, or other, restrictions on any of these activities.

None specific to the product concerned.

Appendix reference:

4. List all international production standards (BS / EN etc) your company currently conforms to, for the like good.

TSUK conforms to the following standards for the like goods:

1. Forming Steels, BSEN10111:2008
2. Structural Steels, BSEN10025:2004
3. HSLAs Steel, BSEN 10149:2013
4. AHSS Steels, BSEN 10338:2015
5. Gas Cylinders Steels, BSEN10120:2008

Appendix reference:

5. Please describe all the other products (not including the like goods) produced or sold by your company in the UK.

TSUK produces a number of steel goods, apart from the goods under review. Please see a breakdown per production facility below:

- Port Talbot - Steelmaking and processing mills at Port Talbot producing hot rolled, hard iron for further process and cold rolled soft via the CAPL and Batch processes on site.
- Llanwern - finishing hot rolled steel into further products in the production chain, including hot rolled skin passed and picked, cold rolled full hard coil and galvanising coil.
- Shotton - Galvanised metallic and pre-finished (organic coated) steel at Shotton in North Wales.
- Packaging steel - Tinplate and other packaging steels at Trostre near Llanelli in South Wales.
- Tubes - Wide variety of steel tubes are manufactured at Corby in the English East Midlands and Hartlepool on Teesside.

Appendix reference:

6. State whether your company is a member of any representative organisations (e.g., trade bodies, associations, Chambers of Commerce). If so, provide a copy of the relevant documentation.

TSUK is a member of UK Steel – the trade association that represents the UK steel sector. TSUK is also a member of a number of other business organisations but none that is considered relevant to this investigation.

Appendix reference:

### A3 Organisational structure

Please answer the questions below about the internal structure of your company and any associations with other companies. Both natural persons (individuals) or legal persons (e.g., companies) are associated where they meet the definition of ‘Related Persons’ in Regulation 128 of the *Customs (Import Duty) (EU Exit) Regulations 2018*.

1. Please explain, or demonstrate in a diagram, the legal structure of your company showing the internal hierarchical and organisational structure, all sites/locations and departments which are involved in the production, sales, R&D, supply and distribution of the like goods for domestic and export markets.

Attached are diagrams which demonstrate the legal structure and organisational structure of the company.

Appendix reference: A3.1a & A3.1b

2. Please provide a written summary and a diagram/flow chart, if available, of your production process for the like goods that you produce in the UK. Clearly indicate the different production stages carried out by your company.

We have attached a simple flow diagram and highlighted the flow of hot rolled material, but it is worth describing what happens.

For Steel Manufacturers, there are typically three distinct processing areas. A heavy end, a steel plant and rolling/finishing mills.

In a heavy end, basic raw materials, coal, coke, iron ore and limestone transformed into a homogenous material called hot metal. This is a liquid iron product that is the core ingredient into all our steel.

[\[Non-confidential summary: information about TSUK's purchases of raw materials\]](#)

This liquid iron is passed to the steel plant, at this stage scrap is added and carbon driven out of the iron to make the steel. [\[Non-confidential summary: information about TSUK's purchases of raw materials\]](#). We are then able to use finishes and fluxes made up of alloys and other elements to chemically change the quality of the steel. This liquid steel now starts to take on properties that will define the areas in which it can be used. Now the material is "Cast" into slabs. These slabs will vary in length and width and will, as a result, also define their usages. [\[Non-confidential summary: information about TSUK's purchases of raw materials\]](#)

As the material moves into the mills, the first mill that all products go through is a hot mill. This process reheats the slab and shapes it to a width (which is partly determined by the slab width) and gauge and the weight is the remaining factor of the slab length. This product, hot rolled coil, can be sold, further processed to skin pass or pickle to be sold as hot rolled or can be sent for further processing.

All coil sales must pass through the hot mill. As a result if we decide to see more longer leg products, hot rolled sales will fall, while if there is no market for longer leg products, hot rolled sales may increase.

[\[Non-confidential summary: information about TSUK's internal use of the like goods for downstream products\]](#)

Appendix reference: A3.2

3. Please complete **Annex 1 – Associated companies** for your company's worldwide corporate structure and affiliations.

## A4 Understanding the UK market

1. Please explain the end use of the goods subject to review and the like goods. If there are multiple uses for the like goods, list them and, where possible, estimate what proportion of your sales goes to each.

[\[Non-confidential summary: TSUK's sales of the like goods per sector. The key sectors are Automotive, Construction, Tube and Engineering sectors. A large share of sales \[>50%\] is made to Steel Service Centres\]](#)

Appendix reference:

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2. Provide a general description of the nature of competition within the overall UK market for the goods subject to review and the like goods.

There are more than 10 steel companies supplying hot-rolled coil to the UK market. 5 European steel manufacturers account for approx. 75% market share with the remaining share split between EU and third country imports. There is fierce competition for the like goods in all market channels.
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Appendix reference:
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3. How price-sensitive is demand for the goods subject to review and like good? In other words, to what extent will the overall demand for Hot Rolled Flat and Coil products change in response to changes in price?

Apparent demand can be price sensitive: the prospect of lower prices will reduce apparent demand, as the supply chain destocks to avoid stock devaluation and cashflow issues. Likewise, anticipation of higher prices will affect apparent demand, with restocking common when prices are rising or expected to rise. However, underlying demand is insensitive to price: the price of steel is rarely sufficiently significant to affect consumer behaviour, being a small proportion of the overall value of the finished (consumer) goods.
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Appendix reference:
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4. Do consumers buy from the cheapest producer, or are there other factors that influence their decision such as quality and service?

While price is most often the predominant consideration, other factors do influence choice. These include product and service quality; ease of doing business; proximity and accessibility; sustainability and ethics.
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Appendix reference:
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5. To what extent is it feasible for producers to change their level of production in response to changing market conditions such as increases in prices?

Steel producers are constrained by capacity at various points in their production process. Most sites are built to "balance" production of upstream and downstream materials. However, as market conditions change there are ways to make small incremental increases in heavy end output over medium term (e.g., months), though
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mill outputs are relatively fixed to capacities as they typically work 24/7. However, changes in production in the short term (e.g. weeks) are very difficult due to the continuous nature of several key processes. Large-scale changes involve major and sometimes irreversible decisions around very large assets and tend to be resisted.

Appendix reference:

6. Provide a general description of the trends and drivers of demand within the UK market for the goods subject to review and the like goods, including causes of demand fluctuations and any factors contributing to overall market growth or decline.

Market drivers are GDP / manufacturing based. Key consuming sectors are heavy vehicles, construction, automotive and general engineering. As mentioned in response 1:3, in addition to GDP-related drivers, apparent demand is also affected by perception and anticipation of price direction. With a high proportion of the market served by steel service centres, their business models, which place emphasis on stock valuation, tend to drive demand amplification.

Appendix reference:

7. What are the major distribution and marketing channels within the UK market for the goods subject to review and the like goods?

[>50%] of steel buyers purchase via Steel Service Centre (SSC) distribution channels. The remaining buyers have the facilities to purchase coil directly.

Appendix reference:

8. Who are the general users/consumers/customers within the UK market for the goods subject to review and the like goods?

As explained above, SSCs are the largest purchasers of the like goods. These SSCs are an indirect channel from steel producers to the end-users in the sectors mentioned above. A small share of sales is made directly to end-users that have appropriate processing capability to handle heavy steel coils.

Appendix reference:

9. Do the goods subject to review and like goods compete directly with one another?

There is heavy competition between the goods subject to review and the like goods, with high levels of substitutability between sources.

Appendix reference:

10. Provide a general description of any government regulations or tax incentives affecting the production or sale of the goods subject to review and the like goods.



There are no regulations or tax incentives in the UK affecting the production or sale of the like goods. The UK government's Energy Security Strategy has provided some light respite from the extremely high energy costs suffered by energy-intensive industries in the UK, but this is no incentive

Appendix reference:

11. Provide a general description of developments in technology affecting the characteristics, demand or the production process of the goods subject to review and the like goods.

Technologies for producing the goods subject to review and the like goods are very mature, with similar processes being employed by all sources of origin.

Appendix reference:

12. Are there any goods which could be substituted for the goods subject to review and the like goods?

Depending on the segment, competing materials can be plastic, aluminium, wood etc.

Appendix reference:

13. Provide a comment on any other factors which influence the market for the like goods and goods subject to review (e.g., seasonality).

Many steel buyers are large organisations who also have production facilities outside of the UK and can increase/decrease local production to suit them.

There is no strong seasonality of the kind that may be seen in certain consumer goods. However, all consuming sectors for the goods under review and like goods exhibit a period of lower activity during July and August, due to the summer holiday period

Appendix reference:

## A5 Board members and principal shareholders

1. Please complete the table below for any shareholder with >5% holding in the company who also has interest in any organisation related to the production, marketing, administration, and sale of the like good in the UK or the People's Republic of China.

Name	Shareholding in company	Name of Other Companies in	Activity of other companies
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		which person holds interest	
Tata Steel Europe Limited	100		Manufacturing
Tata Steel Limited	100 (indirect)		Manufacturing

+Add additional rows as required.

2. Please complete the table below for any members of the Board of Directors who also has interest in any organisation related to the production, marketing, administration and sale of the like good in the UK or the People's Republic of China.

Name	Position on Board of Directors	Name of Other Companies in which person holds interest	Activity of other companies
N/A			

+Add additional rows as required.

## A5 Operational links with other companies or persons

1. Please complete the table below if your company has established long term agreements or relationships with any company/companies located in the UK, the People's Republic of China or in third countries for the production (e.g., sub-contracting), supply and sale of the goods subject to review or the like goods, or other licensing, technical patent or compensatory agreements. Please provide the relevant contract for each agreement listed.

Company name and address	Nature of agreement	Company registration	number and place of registration
Texturing Technology Limited PO Box 22, Texturing Technology Ltd Central Road, Tata Steel Site Margam,	Joint venture of TSUK and Court Holdings Limited of Canada involved in preparation of rolls in Port Talbot.	02684488	PO Box 22, Texturing Technology Ltd Central Road, Tata Steel Site Margam, Port Talbot, West

Port Talbot, West Glamorgan, Wales, SA13 2YJ			Glamorgan, Wales, SA13 2YJ
Appendix reference:			

+Add additional rows as required

## A6 Accounting practices

1. Give the address where your company's accounting records are kept and can be verified by the TRA. If records are maintained in different locations, please indicate which records are kept at which location. If records are digital and do not have a physical location, please mark as N/A.

Records address	What records are held?
[This information is confidential and non susceptible of summary]	[This information is confidential and non susceptible of summary]
[This information is confidential and non susceptible of summary]	[This information is confidential and non susceptible of summary]

+Add additional rows as required

2. Please give the financial year convention your company uses for its accounts (e.g., 1 January – 31 December). If any changes have occurred with respect to this period or in your accounting practices over the last four financial years, please describe these changes.

Our accounting financial year is 1<sup>st</sup> April to 31<sup>st</sup> March. No changes have occurred during the period of the response.

Appendix reference:

3. For your company and any associated parties involved in the production, marketing or sales of your goods, please attach a copy of your annual reports, including the financial statements and audit report covering the injury period.

Attached are copies of the Tata Steel UK Ltd accounts for financial years 2019, 2020 and 2021. [Non-confidential summary: TSUK does not produce a cash flow statement]

Appendix reference: A6.3a, A6.3b, A6.3c, A6.3d, A6.3e, A6.3f and A6.3g

4. If your accounts are unaudited, please attach a copy of your unaudited financial statements for the injury period (1 April 2018 – 31 March 2022).

Attached are copies of the Tata Steel UK Ltd accounts for the injury period 1/04/2021 – 31/03/2022.

Appendix reference: A6.4a and A6.4b

5. Please attach a copy of your company's trial balance (in original and spreadsheet form) covering the POI and the most recent financial year. This includes:
- the trial balance which covers the beginning of the financial year to 1 April 2021;
  - the trial balance which covers the full financial year including 1 April 2021;
  - the trial balance which covers the beginning of the financial year to 31 March 2022.

[Non-confidential summary: information about TSUK's accounting systems and tools, as well as their functionality]

We have included full Income Statement & Balance Sheets that reconcile to the published accounts at the lowest level of detail held.

Appendix reference: A6.5a & A6.5b

6. For your company and any associated parties involved in the production, marketing or sales of the like goods or the goods subject to review, please attach copies of relevant management reports (e.g. profit and loss statement) for the profit centre that includes the like goods. Please provide these reports for the (i) POI and (ii) most recently completed financial year.

Steel making is an integrated process and many upstream facilities service a number of downstream facilities. [Non-confidential summary: information on how TSUK manages its production facilities] please refer to the TSUK Ltd accounts for the full implications of the interlinkages.

Appendix reference:

7. If your company is part of a group of companies, please also attach a copy of the consolidated accounts of the group for your most recently completed financial year.

Attached is a copy of the Tata Steel Europe accounts for 1/04/2021 – 31/03/2022. Appendix A6.7 is confidential by nature and is not included in the non-confidential version of our response.

Appendix reference: A6.7

8. Please provide a detailed description of your financial accounting system, explaining how sub-ledgers (e.g. costing, debtors, creditors) and other sales or production systems integrate with the general ledger. Please provide a description of how it links to the management accounting system, including any manual interventions. Please also attach:
- your company's chart of accounts
  - your company's cost centres

[Non-confidential summary: information about TSUK's accounting systems and tools, as well as their functionality]

Appendix reference: A6.8a and A6.8b

9. Have you changed your financial policies during the injury period? If so, please explain the changes, including dates and the reasons for those changes along with the financial impact of those changes against the like goods.

There have been no changes to accounting policies, other than changes relating to adoption of new or updated accounting standards.

Appendix reference:

## SECTION B: About your goods

### B1 Understanding your like goods

The goods subject to review in this review are defined in [‘the scope of this review’](#).

1. Please complete **Annex 2 – Product comparison**, If your company manufactures a range of like goods, list this information for each individual make and model in the range.
2. If there are differences in characteristics within your range of like goods which cause distinguishable differences in price, explain those differences and the effect they have. Attach any evidence you have that is relevant. This could take the form of sales brochures, input costs, research papers or any other relevant documentation.

The production process for like goods starts in the heavy end, which consists of the coke ovens, sinter plant and blast furnaces. Coking coal is heated in the coke ovens to produce coke, which is then used in the blast furnaces. Our sinter plant agglomerates iron ore fines with reverted material for use in the furnace. Then, along with a blend of other raw materials such as iron ore pellets, granulated coal (processed in a granulator on site) and limestone which is then transformed into a material called hot metal. This material is homogenous, there is no differentiation between one torpedo of hot metal and another.

Moving on to the next stage of the production process, the hot metal, which is a liquid iron, is moved to the steel plant to make the steel. At the steel plant oxygen is blown into the steel to drive out impurities, while scrap is added to the mix to aid recycling of our own scrap generated. At the steel plant is where we create different grades of steel, which have different properties, different alloys, additions, finishing and fluxes give rise to different properties in the steel. Once the steel is made, it goes through the Casters to be “Cast” in to slabs which can be varying lengths and widths.

Once the slabs have been made, they will then pass through the mills. All coils start their life on a hot mill, this process is needed to turn the slab into a coil. [\[limited\]](#)

The basic hot rolled product has four routes, sold as is with no further processing. Further worked on a skin pass mill to remove yield point extension to deliver coil break free product. Pickled on pickle line to remove scale from the strip surface. Lastly it can be used as a input product in a further process.

Appendix reference:
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3. Indicate in the box below any physical, commercial or functional differences between your products and the goods subject to review. If these differences cause distinguishable variations in price, explain those differences and the effect they have. Attach any evidence you have that is relevant.

<p>A significant share of UK market consumption of the goods subject to review and the like goods is characterised by a high proportion of undifferentiated products and for these products there is little or no physical or functional difference between our products and the goods under review. In more differentiated applications (e.g. where particular strength, hardness, weldability, formability is required), these products are also available, but non-product factors, such as technical support or consistency of supply may prompt customers to prefer more local supplies. Based on our own supplies to the market, our analysis of import origin and SSC product purchase patterns, we estimate the UK market for the goods under review and like goods is c. [<a href="#">&gt;50%</a>] undifferentiated, with high substitutability and c. [<a href="#">&lt;50%</a>] differentiated.</p>
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<p>Due to the high fixed costs associated with HRF production and the continuous production process, TSUK absolutely must remain competitive in the undifferentiated market in order to maintain our position in the differentiated market.</p>
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Appendix reference:
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4. Please provide details of your like goods regarding their production processes, interchangeability, raw materials used, degree of model differentiation channels of distribution and sale, pricing and other relevant characteristics.

<p>All products made by TSUK will be sold via the channels described above. The specific channel will relate to the type of customer and product in question, but there is not specific hard and fast rule that a particular customer has to be serviced to be serviced in a particular way, same for products.</p>
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<p>Raw materials to a point are homogenous, but once you aim for a particular grade you require specific chemistry, this impact the additions, finishes and fluxes consumed. Interchangeability is achievable to a point, but once grade and dimensions are set, it is harder to reallocate.</p>
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<p><a href="#">[Non-confidential summary: information about TSUK's pricing]</a></p>
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Appendix reference:
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## SECTION C: Costs and production

### C1 Cost to make and sell

1. Please Complete **Annex 3 – Cost to make and sell** for your total goods and for the total like goods.
2. If your company is vertically integrated or some of the inputs (e.g., raw materials, energy) used in the production of your like goods are produced by an associated party, provide details of this arrangement, and attach documentation demonstrating any agreements you have.

N/A

Appendix reference:

3. Please state the cost allocation method for each cost type listed in **Annex 3 – Cost to make and sell**.

[Non-confidential summary: detailed information about TSUK's cost allocation methods]

Appendix reference:

### C2 Cost and sales reconciliation

1. Please complete **Annex 4 – Cost reconciliation**: please only fill in the white cells and include reference to the source documents of the inserted data.

### C3 Production process

1. Please provide a written summary and a diagram/flow of your production process clearly indicating the different production stages for your like goods carried out by your company.

Please refer to our response to A3.2 above.

Appendix reference:

2. Identify what parts of your production process take place in the UK and explain at what stage the most value is added to your like goods in the production process. Please describe the manufacturing process of the like goods, its level of complexity and the investment of capital involved. If a production process is carried out outside



the UK, please explain the nature of the activity and where this process step takes place.

[Non-confidential summary: detailed information about TSUK's production processes. All production processes described take place in the UK. The complexity of production is described above.]

Appendix reference:

3. Please provide the physical addresses (including town/city and county) of all your company's UK sites/facilities involved in the production of the like goods.

Company name	Physical address
Tata Steel UK Limited	Port Talbot, Neath Port Talbot, SA13 2NG
Tata Steel UK Limited	Llanwern Works, Newport, NP19 4QZ (mothballed)

Appendix reference:

+Add additional rows as required

## C4 Raw material (RM) and major input purchases

1. Please complete **Annex 5 – Raw materials and input purchases**, detailing by supplier, purchases, which account for more than 5% of total cost to make and sell (or if energy more than 1%), used in the production of the like goods during the POI by your company
2. Please provide an invoice and any supporting documents for two of your suppliers stated within **Annex 5 – Raw materials and inputs**. Use the box below to give an overview of any supporting documents provided.

Attached are the examples of invoices and supported documents for two purchases attached. [These appendices are confidential by nature and are not provided in the non-confidential version.](#)

Appendix reference: C4a & C4b & C4c & C4d & C4e & C4f & C4g & C4h

## C5 Purchases of like goods and/or goods subject to review

1. Complete **Annex 6 – Purchases of like goods** and/or goods subject to review. This should include information relating to your company's total annual purchases of the like goods and/or goods subject to review over the injury period. All figures

should be reported net of tax. Please list for each year every country you have purchased from in a separate row.

2. Describe how these purchases fit into your business model. Please attach copies of any agreements or contracts that you have relating to your purchases of like goods and/or goods subject to review.

[Non-confidential summary: There are several reasons for TSUK purchase the like goods. They relate to either production processes of TSUK or certain market opportunities.]

Appendix reference:

## SECTION D: Sales

### D1 – Domestic sales

1. Please complete **Annex 7 – Transaction by transaction (T by T) domestic sales**
  - These should include all your domestic sales and returns of the like goods for the POI. Include the like goods you have produced, purchased and resold and/or goods subject to review that you have purchased and resold.
  - Please report returns as negative (-) sales figures.
  - Please ensure that you correctly categorise each sale by commodity code.
  - For transactions or invoices that consist of multiple commodity codes, the same invoice number should be referenced.

Please contact the Case Team if you can't provide the relevant information in sufficient detail.

### D2 Sales reconciliation

1. Please complete the sales reconciliation table in **Annex 8 – Sales reconciliation**
2. Additionally, please complete the sales forecast table in **Annex 8 – Sales reconciliation** providing quantitative estimates (e.g. projections or forecasts) for the sales revenue and quantity of like goods and of all other goods you produce on the UK market for the next five years.

### D3 Distribution channels and price setting

1. If applicable, please provide copies of price lists for the like goods for the POI.

[Non-confidential summary: TSUK does not use price lists for the like goods but only for extras]

A sample 'price list' for extras is attached as Appendix D3-1.

Appendix reference: D3-1

2. If any price reductions have been applied to any of your sales of like goods over the POI, please provide a description. This includes discounts, rebates, credit terms, allowances and commissions.
  - Explain the terms and conditions that must be met for any price reduction.
  - Indicate any price reduction not included in an invoice price. Explain how the invoice price and the price reduction have been calculated.

[Non-confidential summary: detailed information about the TSUK's rebates scheme. Rebate agreements exist for a limited number of customers within the sales data subject to review]

Appendix reference:

3. Please provide details of your distribution network for like goods if you have one.

[Non-confidential summary: Logistics services are provided by 3<sup>rd</sup> party hauliers. Delivery prices are commercially negotiated with geographical considerations applied]

Appendix reference:

4. Do your sales usually include delivery in the price? If so, please explain how you calculate delivery costs and prices?

[Non-confidential summary: Logistics services are provided by 3<sup>rd</sup> party hauliers. Delivery prices are commercially negotiated with geographical considerations applied]

Appendix reference:

5. Does delivery price vary between customers? If so then please explain what these differences may relate to.

[Non-confidential summary: Logistics services are provided by 3<sup>rd</sup> party hauliers. Delivery prices are commercially negotiated with geographical considerations applied]

Appendix reference:

6. Attach sales contracts for the top five customers by volume in **Annex 7 – Transaction by transaction (T by T) domestic sales** that you have sold like goods to in the period of investigation

[This information is highly confidential and not susceptible of summary]

Appendix reference: D3 6a/b/c/d/e

7. Select examples of domestic sales of like goods to two different customers included in **Annex 7 – Transaction by transaction (T by T) domestic sales**. Attach as an appendix a complete set of documentation for these sales. Where possible, include purchase orders, commercial invoices, order acceptances, discounts or rebates, credit and debit notes, contracts of sale, freight and insurance details, bank documentation and all other relevant documents.

Evidence has been provided for sales to [confidential].

Appendix reference: D3 7a/b

## D4 Captive use

1. For products classified for internal use in **Annex 2 – Product Comparison** please specify how these goods were used

Hot rolled coil used internally for downstream processes will be used for a plethora of end uses as dictated by the end customer and will be processed as such.

Appendix reference:

2. Please comment on whether your internal use of the like good would be affected if the existing anti-dumping measure on the goods subject to review no longer applied? Please attach evidence to support your answer where possible.

[Non-confidential summary: detailed information about TSUK's market strategy and position, as well as capacity for HRF and downstream products]

Appendix reference:

## SECTION E: Injury to your company

1. Would your company suffer from injury if the existing anti-dumping measure on the goods subject to review no longer applied? If so, please describe the nature and degree of the injury. If your company is already suffering injury, would the nature or source of the injury change if the measures were to no longer apply?

TSUK has been suffering material injury from dumped imports of the like goods for many years and most notably during the injury period of the original investigation (2012-2015). While it is difficult to point to a specific date, dumped imports from China clearly started to have a significant negative impact on TSUK in 2012. The situation continued to gradually worsen until the imposition of provisional measures in October 2016.

The low-priced, dumped imports from China had a widespread corrosive effect on TSUK, contributing to the loss of market share and volume and the reduction of selling price and profit margins. The anti-dumping measures have helped to some extent to restore and maintain fair competition.

Please refer to our written comments for more detailed information.

Appendix reference:

2. How would your costs to make and sell change if the existing anti-dumping measure on the goods subject to review no longer applied, what measures would your company have to take to remain competitive. If possible, please provide annual estimates (e.g., projections or forecasts) for the next five years for any changes and use the text box below to explain the methods used to calculate these estimates.

[Non-confidential summary: The impact on our costs to make and sell will depend on the volume of dumped imports entering the UK market and their impact on our production volumes. Other detailed information about TSUK's the impact of revocation of the measures on our company.]

Appendix reference:

3. Please complete **Annex 9 – Injury**. This should be completed in reference to your UK production of the like goods for the injury period.
4. Please explain how you calculated and apportioned your average net operating profit after tax (NOPAT) for the like goods.

It is not possible to calculate a net operating profit after tax (NOPAT) figure for the like goods as we do not produce financial accounts at a product level, which also

means we were not able to calculate the average “NOPAT” margin for like goods. For the same reason, we have not been able to provide the finance costs incurred for like goods, as we only produce financial accounts at a Tata Steel UK Limited level. The “NOPAT” figure has been calculated by taking the figure for profit or loss after tax and adding the restructuring costs back on.

We have attempted to provide net operating profits before interest and tax as a proxy, as these numbers are available more readily, whereas any tax and financing costs are simply an arbitrary division of cost over sales tonnes.

Appendix reference:

5. Please explain how you assess your stock levels. Please indicate if your stock levels were abnormally high during the injury period. If so, please explain.

[\[Non-confidential summary: information about TSUK’s stock levels and the methodology used to assess stock levels\]](#)

Appendix reference:

6. Please explain how you estimated your percentage of market share for the like goods.

Market share is based on TSUK domestic sales, estimated sales of other UK producers and imports from third countries.

Appendix reference:

7. Please explain how you calculated your production capacity and capacity utilisation for the like goods, and the cause of any significant variations

The production capacity quoted is based off the record of maximum amount of tonnes that has been produced in the hot mill at the down coiler. Production capacity has been calculated by dividing the total production tonnes of hot rolled product by the production capacity.

Appendix reference:

8. Explain any variances between your actual and forecasted budgets over the injury period, with reference to your cash flow statements. Would your forecasted budgets be affected if the existing anti-dumping measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

N/A

Appendix reference:

9. Please explain how you set your wages, and the causes of any significant variations.

[Non-confidential summary: information about TSUK's methodology used to set wages]

There are no significant variation versus plan in the IP.

Appendix reference:

10. Please explain whether any of the indicators listed in **Annex 9 – Injury** would be affected if the existing anti-dumping measure on the goods subject to review no longer applied. Please substantiate your claims with evidence. Where possible, please add additional rows in **Annex – 9 Injury** to provide estimates for the next five years (e.g., projections of forecasts). Please use the text box below to explain the methods used to calculate your estimates.

If the existing anti-dumping measures are no longer applied, dumped imports from China will certainly have a direct negative impact on a wide range of injury indicators. As confirmed by the original investigation, TSUK's production, capacity utilisation, sales, turnover and profitability will be severely impacted. Deterioration of the above-mentioned indicators will in its turn negatively affect TSUK's employment and long-term viability of the business in general. In particular:

- Turnover would fall as sales volumes and prices would be adversely impacted by an increase of dumped, low-priced imports.
- TSUK's domestic sales volumes would be reduced and prices could drop to uneconomic levels due to impact of a surge in low-priced imports from the countries concerned.
- Profitability would decline if prices fell to uneconomic levels.
- Output would reduce due to the impact on both sales volumes and prices of a surge in low-priced imports.
- Market Share of TSUK for the like goods declined in the last year of the injury period and would be expected to decline further if the existing anti-dumping measures no longer applied as the UK would be at risk of a surge in imports from the countries concerned.
- Capacity utilisation would reduce further as output falls.

Please refer to our written comments for more detailed information

Please also note it is not possible to prepare any meaningful estimates for the next 5 years due to many variables and uncertainties affecting the world market for steel and our business specifically.

Appendix reference:



11. For your like goods only, please state what level of profit, before tax and as a percentage of turnover, your company would expect to achieve in the absence of injury and explain how you arrived at this figure. Would your level of profit, before tax, as a percentage of turnover for the like goods be affected if the existing anti-dumping measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

TSUK considers a profit margin of 9.90% to be an appropriate minimum. This target profit was accepted as duly substantiated in the original investigation. One of the main factors of profitability for the domestic industry is its ability to reflect cost increases in the prices, or to avoid reflecting cost decreases on the selling price to maintain or increase the profitability. Profitability is also influenced by certain other factors, e.g., the level of production, and consequently the marginal fixed cost for each unit produced.

TSUK's profitability will decline if our sales prices are forced down to uneconomic levels due to a surge in low-priced imports from the countries concerned. As established in the original investigation, prices of Chinese producers can and indeed will significantly undercut sales of TSUK leading to a fall in prices and the injurious impact on profits.

Appendix reference:

12. Explain how you set your current sales price for your like goods. Is this the same as your target sales price? If not, please explain the reasons for this. Would your sales price for your like goods be affected if the existing anti-dumping measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

Steel is typically priced using a basis price for a standard product and then adding extras for more expensive grades/alloys, dimensions, quality, packaging, transport, certification etc.

If the existing anti-dumping measures are no longer applied, low-priced imports from the country concerned will aggressively compete in the UK market and drive steel prices down.

In addition, significant steel overcapacity of Chinese producers will incentivise them to sell at dumped prices simply for contribution towards their cost base and not necessarily at a profit.

Appendix reference:

13. Complete **Annex 10 – Investments and Return on Investment**.

- For each investment category, indicate the amount of investment (apportioned, where applicable) and explain what the investment is for.
- Where possible, add columns in **Annex – 10 Investments and Return on Investments** to provide estimates (e.g., projections or forecasts) for future years assuming the measure is retained.

- For the investments you have made during the injury period, please also provide the depreciation incurred company-wide and for the like goods.

We have provided company-wide related investments, but it is not possible for us to split the investments out to show those in relation to like goods. Investments that are made in the heavy end, steel plant or hot mill would impact all production on that operating facility and would impact every product sold.

Appendix reference:

14. Please provide details of your typical source(s) of finance (e.g., loans, debt, share issues, bond issues etc.) for each category of investment relating to your company-wide investments.

[Non-confidential summary: information about TSUK's key sources of finance]

Appendix reference:

15. Please describe any changes in your company's level and trends of returns on investment over the injury period. Please explain the nature and cause of this change and substantiate with supporting evidence e.g., funding proposals, loan approvals or other relevant financial documents.

The level of investments varied over the injury period. [Non-confidential summary: information about TSUK's investments] Importantly, TSUK demonstrated a constant increase in social/health & safety investments, reflecting Tata's strong commitment to health and safety.

Appendix reference:

16. Please explain whether your company's ability to make investments and/or ability to raise capital would be affected in the next five years if the existing anti-dumping measure on the goods subject to review no longer applied. Please substantiate your claims with evidence (e.g., company investment plans, etc) and if you have provided estimates explain how you calculated them.

[Non-confidential summary: detailed information about TSUK's investments. The level of investments varied over the injury period. If the existing anti-dumping measures are repealed, the environment around which investment decisions are made would become far more uncertain, and potentially risky, than would otherwise be the case. This may result in the postponement or cancellation of investment plans that would otherwise improve the competitive position of the company, and the possible deferment of R&D expenditure in new or improved products, that would also be of benefit to end-users]

Appendix reference:

17. Please complete **Annex 11 – Forward sales contracts**. Describe and attach copies of all forward sales contracts/ongoing supply agreements for like goods. Comment on these forward sales contracts – are they a usual way of doing business in your industry? Has there been any variation in the volume and value of forward contracts over time? If so, what has caused this variation? Would your forward sales contracts be affected if the existing anti-dumping measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

[Non-confidential summary: information about TSUK's sales agreements and strategy]. If anti-dumping measures were removed we would see an immediate loss of volume in forward sales contracts.

TSUK's orders for the like goods would be affected negatively if the measures were to be revoked. Please also refer to TSUK's responses above.

Please refer to the appendices for examples of forward sales contracts.

Appendix reference: E17.1, E17.2

18. If your company is suffering from injury, please explain and indicate the degree to which this has been caused by the alleged dumping of the goods concerned. Please also explain and indicate the degree to which any other factors might have caused the injury, for example:
- volume and prices of imports not sold at dumped prices
  - contraction in demand or changes in patterns of consumption
  - restrictive trade practices of, and competition between, third country and UK producers
  - developments in technology; and
  - export performance and the productivity of the UK.
- Please substantiate your claim(s) with evidence.
- Would the cause(s) or degree of injury change if the existing anti-dumping measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

Currently, TSUK is not suffering direct injury from imports from China as they are not entering the UK in large volumes due to the existing anti-dumping measures. However, as explained above, TSUK is in a fragile condition due to the severe negative impact of the COVID-19 pandemic on the steel sector and our company specifically. In these circumstances, TSUK will indeed suffer material injury caused by the imports in question if the anti-dumping measures no longer applied. Moreover, the degree of injury may be much higher than during the original investigation due to the current vulnerable condition of TSUK.

Appendix reference:

19. Would there be any other effects on your industry and/or company if the existing anti-dumping measure on the goods subject to review no longer applied? Please substantiate your claims with evidence.

Please see TSUK's responses above.

Appendix reference:

## SECTION F: Dumping

Please note that all questions in this section are optional. If you choose not to provide information to a question in this section, please state this or write 'N/A' in the respective text box.

### F1 Dumping

1. Do you have any information about the normal value of the goods subject to review in the People's Republic of China? Please substantiate with evidence where possible. This may include sales catalogues, price lists, invoices, quotes, market intelligence or sales correspondence, or any other documentation relating to the domestic price of the goods concerned in the People's Republic of China.

Please refer to our written comments.
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Appendix reference:
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2. Do you have any information about the export price to the UK of the goods subject to review from the People's Republic of China? Please substantiate with evidence where possible. This may include sales catalogues, price lists, invoices, quotes or sales correspondence, or any other relevant documentation relating to the export price to the UK of the goods concerned from the People's Republic of China.

Please refer to our written comments.
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Appendix reference:
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### F2 Likelihood of dumping

1. Do you have any information about the capacity and capacity utilisation among exporters of the goods subject to review during the POI? Please provide estimates and substantiate with evidence where possible.

Please refer to our written comments.
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Appendix reference:
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2. Do you know how capacity and capacity utilisation among exporters of the goods subject to review have changed during the POI, or might change in the next 5 years? Please provide evidence if available.

Please refer to our written comments.
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Appendix reference:
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3. Please provide any additional information that might inform our assessment of whether imports of the goods concerned are likely to be dumped if the measure is removed. This could include:
- exports of like goods to third countries by exporters of the goods subject to review,
  - conditions for the exporters of the goods subject to review in their domestic market,
  - information on raw material markets and prices, including any restrictions concerning raw materials used for the production of the goods subject to review,
  - attractiveness of the UK market for Hot Rolled Flat and Coil products compared to the market in third countries, and
  - any other relevant factor.
- Please provide supporting evidence where possible.

Please refer to our written comments.
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Appendix reference:
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### F3 Adjustments

1. If you are aware of any factors that could mean costs or profits of the goods subject to review are not substantially determined by market forces, please provide details and any supporting evidence.

Please refer to our written comments.
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Appendix reference:
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### F4 Particular market situation

1. Do you have knowledge of any market distortions in the exporting countries affecting the **production of the goods** subject to review during the POI? Please describe the nature of the market distortions in detail, specifically with respect to the goods subject to review, and provide evidence to substantiate your claims.

In your response, please also include any evidence concerning the impacts of any market distortions on the level of production of the goods subject to review.

Please refer to the submission of UK Steel and our written comments.
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Appendix reference:
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2. Please describe how any market distortions affected the **price of goods** subject to review, including any raw materials and inputs, in the exporting countries during the POI. Provide examples and evidence to support your response, including any evidence concerning the following:
- situations/distortions in the domestic market of the exporting countries where prices of the goods subject to review are artificially low; and
  - situations/distortions in the domestic market of the exporting countries where prices of the goods subject to review reflect non-commercial factors.

Please refer to our written comments.
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Appendix reference:
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3. Please describe how any market distortions affected the level of exports of the goods subject to review during the POI. In your response, you may refer to any international markets, that you may be aware of, which are affected by differential levels of exports of the goods subject to review by the exporting country.

Please provide evidence to support your response.

Please refer to our written comments.
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Appendix reference:
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4. Please provide **any additional information** which you think could assist the assessment of market distortions in the exporting country; this could include:
- situations/distortions in the domestic market of the exporting countries where there is significant barter trade;
  - situations/distortions in the domestic market of the exporting countries where there are subsidies involved in the production of the goods subject to review;
  - any other reason, which could evidence that the comparable price cannot be used to determine the normal value of the goods subject to review.

Please provide evidence to support your response.

Please refer to our written comments.
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Appendix reference:
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## SECTION G: Economic Interest

### G1 Economic interest

The economic interest test helps the TRA assess the economic impact of a measure compared to what would happen if it no longer applied. There are six factors which the TRA must consider as part of the economic interest test:

- i) The injury caused by the dumped goods to UK industry and the benefits to that industry in removing the injury.
- ii) The economic significance of affected industries and consumers in the UK.
- iii) The likely impact on affected industries and consumers in the UK.
- iv) The likely impact on particular geographic areas, or particular groups, in the UK.
- v) The likely consequences for the competitive environment and for the structure of markets for goods in the UK.
- vi) Other matters that the TRA consider relevant.

The questions in this section will contribute to this assessment. Please provide information broken down by each of your company's UK sites/facilities, where relevant and possible.

### G2 Background

1. Please provide any known names, legal addresses and telephone numbers of the following domestic companies:
  - Those that produce Hot Rolled Flat and Coil products in the UK
  - Those that are involved in the importation, distribution, or sale of Hot Rolled Flat and Coil products from third countries

Liberty Steel is the only other producer of HRF in the UK.
Appendix reference:



2. Please provide an overview of your upstream supply chain for Hot Rolled Flat and Coil products, (e.g., producers of raw materials). Where possible, please describe the number, location, and size of UK producers at each stage.

As explained by TSUK in much detail in Section E, TSUK itself is an upstream producer of slab, which is the main input for hot-rolled coil.

Appendix reference:

3. Please provide an overview of your downstream supply chain. Please indicate who the consumers of Hot Rolled Flat and Coil products are, which industry and level of trade they relate to and whether they are companies or private individuals. Are Hot Rolled Flat and Coil products considered to be an intermediate and/or final good?

[Non-confidential summary: detailed information about TSUK's supply chain starting from raw materials and up to the end user. TSUK's supply chain starts in a heavy end where basic raw materials, such as coal, coke, iron ore and limestone transformed into a homogenous material called hot metal. As the material moves into the mills, the first mill that all products go through is a hot mill. Our cold rolled, galvanised and organic coated materials will all pass through a common pickling and rolling facility to make a "hard iron" product, this is the base product that can be sold, annealed and sold, galvanised and sold or galvanised, painted and sold. A large share of sales is made to SSC who carry out first-stage processing (e.g., slitting or cutting the like goods). Some SSC are owned by steel producers (e.g., Tata Steel Distribution), while others are independent. SSC then resell the material to a wide range of smaller consumers (often SMEs). The remaining share of sales is made directly to end users, who are typically large manufacturers.

Appendix reference:

### G3 Your company

4. Please complete **Annex 12 – Economic Interest Test**, providing employment figures in full-time equivalents (FTE) for each of your company's UK sites or facilities
5. How would these employment figures be affected if the existing anti-dumping measure no longer applied? Please substantiate your claims with evidence.

We have provided the FTE for the total number of employees, by taking an average number for each of the years, but are unable to provide a precise number of employees for the like goods. We have tried to allocate numbers, as outlined earlier in the response as requested.

We have also provided a schedule detailing out where our employees are employed, but location does not determine completely if they are or are not part of the manning required to make or sell the like products.

If the measures were no longer applied then if the situation returned back to where we were pre-measures, the long term future of our hot rolled offering would have to be reassessed, this would certainly result in further reductions to manning, reductions in volumes potentially and worst still, could result in a decision to move to a single blast furnace operation, which could have huge impacts on our overall numbers employed.

TSUK provides well-paid skilled jobs in several economically disadvantaged areas. These jobs would be put at risk if the existing anti-dumping measures no longer applied as TSUK would be at risk from a surge in low-priced imports of the goods subject to review from the countries concerned. In addition to the risk to these direct jobs, there is a multiplier effect with each TSUK job supporting a number of other jobs, both in the supply chain and the wider local community e.g. shops, other local businesses etc. Each TSUK job is estimated to support at least 2 other jobs.

Appendix reference:

6. How would your domestic sales of Hot Rolled Flat and Coil products be affected if the existing anti-dumping measure was revoked? Please substantiate your claims with evidence.

Excessive production capacity for the goods subject to review in China is many times the size of the entire UK market. If the existing anti-dumping measures are no longer applied, dumped imports from China, there is an extremely high risk that import volumes would increase sharply at dumped prices. In these circumstances, TSUK's domestic sales volumes would be reduced and prices could drop to uneconomic levels. It would inevitably have a knock-on effect on profitability which would also decline.

Please also refer to our written submission.

Appendix reference:

7. How significant is the production of Hot Rolled Flat and Coil products relative to your company's entire UK production?

An integrated steelworks is dependent on having a balanced flow of production and regular outlets. It is extremely difficult to turn up or down production by significant volumes quickly.

[Non-confidential summary: information about TSUK's production processes and market / production priorities]

Appendix reference:

## G4 Potential impacts of a measure

8. Please describe how you would expect a decrease in the import prices of Hot Rolled Flat and Coil products to affect each of the following. Where possible, please support your claims with evidence:

- Domestic prices of Hot Rolled Flat and Coil products

TSUK's domestic prices could drop to uneconomic levels due to impact of a surge in low-priced imports from China.

Appendix reference:

- Total UK production of Hot Rolled Flat and Coil products

As mentioned in the previous responses, TSUK may have to maintain the level of production at the same level. In the worst case scenario, if it was deemed necessary, we may have to switch off a blast furnace, restructure the business with associated redundancies, and reduce available slab. Such radical changes cannot be easily reversed in the steel sector and have long-term consequences.

Appendix reference:

- total imports of the goods subject to review to the UK

Total imports may not necessarily increase in line with the increase in imports from China. If HRF imports from China start to enter the UK market at dumped prices, they may take the market share of both TSUK and other suppliers from third countries in the higher price range. This is especially the case for the basic products which are part of our order book but can be also supplied by other exporting producers, as such products would become cheaper and would be displaced with the Chinese material.

Appendix reference:

- total exports of Hot Rolled Flat and Coil products from the UK

There is unlikely to be any immediate impact, but our ability to compete internationally would be disturbed by significant pressure on the UK market and potential need to restructure.

Appendix reference:

9. Do you know of any related industries that would be affected if the existing anti-dumping measure on Hot Rolled Flat and Coil products was revoked?

Please consider in particular:

- upstream industries – those who produce inputs (such as raw materials) needed for Hot Rolled Flat and Coil products

As explained by TSUK in much detail in Section E, TSUK itself is an upstream producer of slab, which is the main input for hot-rolled coil. Revocation of the anti-dumping measures will have a direct negative impact on TSUK as an upstream producer due to a likely significant increase in costs and surplus of slab. Ultimately a decision would need to be made on the structural configuration of the blast furnaces under such conditions.

Appendix reference:

- downstream industries – those who purchase Hot Rolled Flat and Coil products

For stockists, distributors and other intermediaries, the continuation of anti-dumping measures would have little impact. First, the anti-dumping measures are not intended to exclude imports from the market, but only to restore fair competition and ensure they are not sold at injuriously dumped prices. Second, other alternative sources exist: TSUK is focused on supplying its domestic market, and other import sources will continue to be unaffected. Were the measures to be terminated, this would create disruption and uncertainty in the market, with the only beneficiaries likely to be opportunists without any regard to the longer-term consequences for the market.

Appendix reference:

- industries for complimentary goods – those which would typically be bought alongside Hot Rolled Flat and Coil products (such as ink being bought with printers)

Please refer to our responses on our downstream operations and the importance of stable hot-rolled production and sales on other products. While such downstream products may not necessarily constitute complimentary goods in the strict sense, they are purchased from the same supplier. Our ability to remain competitive in such downstream markets may be severely affected if we become uncompetitive in the HRF market.

Appendix reference:

- industries for substitute goods – those which might be bought instead of Hot Rolled Flat and Coil products (such as margarine instead of butter).

We are not aware of any significant impact on such industries.

Appendix reference:

10. To what extent would you expect any changes in prices for Hot Rolled Flat and Coil products to be passed onto final consumers?

The change in cost of steel in an end product (e.g. a car) would be passed onto end customers (whether an increase or decrease), but typically an end product price is not largely influenced by the steel input cost. For instance, a £75,000 backhoe loader may have a quantity of steel that costs around £5,000 (steel cost at 7% of final car price). This proportion is even lower for passenger cars.

Appendix reference:

11. Would your plans for investment or expansion in the UK over the next five years be affected if the existing anti-dumping measure was revoked? Please support your claims with evidence.

[Non-confidential summary: detailed information about TSUK's investments. The level of investments varied over the injury period. If the existing anti-dumping measures are repealed, the environment around which investment decisions are made would become far more uncertain, and potentially risky, than would otherwise be the case. This may result in the postponement or cancellation of investment plans that would otherwise improve the competitive position of the company, and the possible deferment of R&D expenditure in new or improved products, that would also be of benefit to end-users]

Appendix reference:

12. As a public body, the TRA has an obligation under the *Equality Act 2010* to ensure that the possible effects of its activities on different people are considered. This public sector Equality Duty covers the following protected characteristics:

- age,
- disability,
- gender reassignment,
- marriage or civil partnership,
- pregnancy and maternity,
- race,
- religion or belief,
- sex, and
- sexual orientation.

If you have any information that could assist us in our consideration of whether the continuation of the existing anti-dumping measure might disproportionately affect any of these groups, please provide it in the box below.

N/A

Appendix reference:

13. Please explain whether and how continuing a trade remedy measure could affect the number or range of suppliers in the Hot Rolled Flat and Coil products market.

The range of suppliers is unlikely to change if the measures remain in place. HRMC data confirms that the imposition of the measures resulted in a more diversified supply of the like goods from third countries (for instance, imports from South Korea and Taiwan started to appear in the UK in more significant volumes) which had not been able to compete with the dumped imports from China and Russia.

However, the range of suppliers will reduce if the anti-dumping measures are revoked, forcing TSUK and other suppliers currently present in the market out of the market by a surge in low-priced imports. Importantly, China has already shown its capacity to export at dumped prices, so the likelihood of a surge in low-priced imports and injurious dumping in the UK strong.

Appendix reference:

14. Please explain whether and how continuing a trade remedy measure could affect suppliers' ability to differentiate their products by price, quality, service or innovation in the Hot Rolled Flat and Coil products market.

If the measures are extended, it will allow the UK industry to avoid disruption from opportunistic export behaviour and plan actively for the future, making more high-end products to satisfy the diverse steel demands of the UK manufacturing sector.

Appendix reference:

15. Please explain whether and how continuing a trade remedy measure could affect the cost of switching between suppliers in the Hot Rolled Flat and Coil products market.

Extension of the measures will have no any impact on the cost of switching between suppliers in the HRF market for several reasons. First, the market very quickly and easily adapted to the reduction in imports from China back in 2017. Second, all other sources for the like goods will remain available, including TSUK, as we are focused

on our domestic market, which is also confirmed by the ratio of domestic and export sales.

Appendix reference:

16. Please explain whether and how continuing a trade remedy measure could enable suppliers to set agreed prices between themselves or for certain consumers or products.

Extension of the measures cannot lead to such an outcome. TSUK strictly complies with UK competition rules and would not engage in this type of behaviour under any circumstances due to numerous compliance concerns. Moreover, as TSUK did not attempt to set agreed prices together with other suppliers in the last 5 years, it is unclear why we would try to do that if the measures are extended. Finally, while TSUK cannot guarantee that other suppliers (e.g. exporting producers from third countries) do not set agreed prices, it seems highly unlikely as there are numerous suppliers to the UK market (e.g., several EU countries, several non-EU countries, TSUK, Liberty Steel).

Appendix reference:

17. Please explain whether and how continuing a trade remedy measure could affect choices of Hot Rolled Flat and Coil products available to consumers

Extension of the measures will have no negative impact on choices of HRF available to consumers. Revocation of the measures, to the contrary, will likely force out certain suppliers from the market, potentially including TSUK, with a knock-on effect on choices.

Appendix reference:

18. Please explain whether and how continuing a trade remedy measure could affect the ability of consumers to make informed decisions.

Extension of the measures will not have any negative impact on the ability of consumers to make informed decisions. It should be also noted that for end-users and consumers, the continuation of anti-dumping measures will help to ensure they have a long-term and reliable source of local supply. The measures in place have had very little impact on costs for end-user industries: the product concerned generally represents a very low proportion of the total cost of the applications it is used for, as confirmed by the examples above. There is no evidence that the measures have resulted in any reduction in demand or impact on employment in these end-user industries. As noted above, there is also no risk to supplies from the continuation of measures as sufficient capacity exists both in the UK and in other third countries. No significant positive effect would be generated by the revocation of the measures as the capacity of the producers already on the market largely exceeds

demand. Furthermore, any price reduction in the final products at consumer level would be negligible.

Appendix reference:

19. Are there any additional economic factors that you consider to be relevant for the economic interest test in this review?

TSUK notes that in addition to our employees, we also support 2,500 direct contractors and a further 20,000 through our supply chains. While not all of these contractors are directly related to the goods subject review (although a large share of them are), given the importance of HRF for the long-term sustainability of our downstream businesses and the company generally, revocation of the measures will have a direct impact on our contractors as well.

Moreover, all other factors should be analysed in a wider economic context with rapidly growing inflation, potential recession, and their impact not only on our company, but also on our employees, contractors and customers.

Appendix reference:



## SECTION H: Checklist and appendices

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – Company structure and operations	<input checked="" type="checkbox"/>
Section B – About your goods	<input checked="" type="checkbox"/>
Section C – Costs and production	<input checked="" type="checkbox"/>
Section D - Sales	<input checked="" type="checkbox"/>
Section E – Injury to your company	<input checked="" type="checkbox"/>
Section F – Dumping	<input checked="" type="checkbox"/>
Section G – Economic Interest	<input checked="" type="checkbox"/>

+Add additional rows as required

Please list any appendices that you have referenced in your responses and are attaching with this questionnaire.

Appendix reference	
A3-1a and A3-1b	These appendices are confidential by nature and are not provided in the non-confidential version.
A3.2	This appendix are confidential by nature and are not provided in the non-confidential version.
A6-3a, A6-3b and A6-3c, A6-3d, A6-3e, A6-3f, A6-3g	A6-3a – March 2019 TSUK, A6-3b – March 2020 TSUK and A6-3c – March 2021 TSUK. Appendices A6-3d-A6-3g are confidential by nature and are not provided in the non-confidential version.
A6.4a and A6.4b	These appendices are confidential by nature and are not provided in the non-confidential version.

A6.5a, A6.5b	These appendices are confidential by nature and are not provided in the non-confidential version.
A6.7	These appendices are confidential by nature and are not provided in the non-confidential version.
A6.8a, A6-8b	These appendices are confidential by nature and are not provided in the non-confidential version.
C4a, C4b, C4c, C4d, C4e, C4f, C4g, C4h	These appendices are confidential by nature and are not provided in the non-confidential version.
D3-1	These appendices are confidential by nature and are not provided in the non-confidential version.
D3.3	These appendices are confidential by nature and are not provided in the non-confidential version.
D3 6a/b/c/d/e	These appendices are confidential by nature and are not provided in the non-confidential version.
D3 7a/b	These appendices are confidential by nature and are not provided in the non-confidential version.
E17a, E17b	These appendices are confidential by nature and are not provided in the non-confidential version.

+Add additional rows as required