



## Register as an Interested Party

### Reconsideration of an original decision in Transition Review

#### No. TF0006: Safeguard measures on certain steel products

Period of Investigation:

2013-2017

Most Recent Period (MRP):

1<sup>st</sup> January 2018 to 30<sup>th</sup> June 2020

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Completed on behalf of:

Tornado Wire Ltd

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

Confidential

Non-confidential – will be made publicly available

Please note that you will have to provide **two copies of your response** – a **confidential** and a **non-confidential version**. Both copies should be returned to the TRA using the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)).



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## Instructions

### I – Note about confidentiality

You will need to submit one confidential version and one non-confidential version of this document. The content of the non-confidential version should be as similar as possible to the confidential version with only confidential details removed. Where confidential details have been removed from the non-confidential version, you should include a substantive summary that would give the reader an understanding of how the redacted information would have supported any points or arguments being made.

Please ensure that each page of information you provide is clearly marked either “confidential” or “non-confidential” in the header. It is your responsibility to ensure that the non-confidential version does not contain any confidential information. Note that ‘confidential information’ in this context includes any personal details that can be attached to a named individual. This includes names, contact details and signatures, none of which should be included in the non-confidential version.

See <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#how-we-handle-confidential-information> for further information on what can be considered confidential and how to prepare a non-confidential version of this document.

All information provided to the Trade Remedies Authority (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 <https://www.trade-remedies.service.gov.uk/public/case/TF0006/>



## Section A – Your organisation’s interest in the case

To register your organisation’s interest in this case, please complete the text boxes below. For a definition of the goods to which this reconsideration relates (“the goods”) see the [Reconsideration’s Notice of Initiation](#).

1. Please describe the role of your organisation with regards to the goods.

*Tornado is a manufacturer of agricultural wire fencing products. We employ 100 individuals at our factory in Cumbria, head office in Bidford on Avon and distribution sites in Scotland and Ireland.*

*We are the leading producer of these products in the UK and export a significant percentage of our 5 figure Tes output, mainly to Europe, but also to the US and Middle East.*

2. Please describe your interest in this case:

*The raw material for our fencing products is Heavy Galvanised Steel Wire (HGSW), which is a product group within commodity codes 7217 2030 and 7217 2050. We have no option but to import our raw materials because there is no UK manufacturer of HGSW. The majority of our raw materials are sourced from the EU.*

*We were delighted with the original decision (2021 No.1), which removed HGSW from the safeguarding measures (HGSW being a product type within Category 28). Certainly as far as HGSW is concerned, this is clearly the right decision.*

*However, given that the Reconsideration process has now been initiated, we would like to take this opportunity to reemphasise the following points:*

- *We can categorically confirm that no UK company makes HGSW. The equipment to make HGSW is highly bespoke, requiring a dedicated factory and technical knowhow. This is not a product that can be made in any wire factory. The last factory capable of making HGSW in the UK closed and dismantled its galvanising line in 2016 and subsequently shut the whole factory in 2018.*
- *It is important not to confuse Heavy Galvanised Steel Wire with Commercially Galvanised Steel Wire (CGSW). Even though they share the same commodity code, they are distinct products and CGSW is not a product that agricultural fencing manufacturers have any use for. However, to the best of our knowledge there are no companies capable of making CGSW in the UK anyway and certainly none that make it at any kind of scale.*
- *With 100 employees, Tornado is the largest of several UK agricultural fencing manufacturers.*
- *There are no tariffs on finished fencing, which is also widely imported into the UK.*
- *HGSW generally comprises some XX% of our costs; therefore, should a 25% tariff on this material be triggered, UK manufacturers would instantly become uncompetitive against foreign manufacturers in both domestic and export markets. Clearly it cannot*



*be the intended outcome of this process to hobble established UK manufacturers with a tariff which wouldn't protect any other UK company and simply hands a massive advantage to foreign competitors.*

- *Tornado is a growing business and has doubled in size over the last 8 years. This has all been intrinsic growth supported by multi-million pound capital investment in our manufacturing site in Cumbria over the last 9 years. In 2021, we will sell over 100 weight of fence compared with just 50 weight in 2013, the first year of the POI. The majority of our raw materials are imported from the EU. Given our growth in recent years, the POI of the original investigation is not a good baseline to use when assessing the importance of HGSW imports to our business.*

*In summary, no UK manufacturers would be protected by imposing a tariff on HGSW and yet several companies like Tornado will suffer great harm. We therefore strongly request that HGSW remains excluded from the measures. This could be achieved either through the complete removal of 7217 2030 00 and 7217 2050 00 or if that is not possible, then we would request that use is made of the 2 digit suffix to differentiate HGSW from any other products which share the main 8 digit code.*

## Section B – Additional information

Use the box below to provide any other relevant information which you think would be useful to help our reconsideration.

This may include:

- other parties you believe should receive a questionnaire;
- the scope of the reconsideration; and/or
- anything else you consider relevant.

*Within the TRA's report "Transition Review TF0006 – 3<sup>rd</sup> June 2021" and subsequently commented on by interested parties, it has been noted that the imports of Category 28 steadily increased over the period 2013 to 2018 before dropping in 2019 and 2020. However, the report stated that it had not been possible to establish the underlying reasons for this in relation to domestic production of Category 28 products.*

*In fact, we would expect that a large part of the trend seen in Category 28 over the POI may be explained by the demise of the last UK producer of HGSW (the UK division of the international company Betafence) coupled with Tornado's own growth over the period.*

*Putting some numbers to this: we know that the quota for imports for the whole of Category 28 for H1 2021 was set at 73kTes. This gives an indication of the scale of imports of Category 28 being around 146kTes on an annualised basis. Table 11 in the TRA report shows growth in imports of Category 28 of 35% over the period 2013 to 2017 and there is a*



*statement that this falls back in 2019 and 2020 (Para 84 of the report). This suggests an increase of importation of Category 28 products of roughly 40 kTes per annum over the POI.*

*Compare this to the likely scale of change in HGSW movements brought about by the changing circumstances of Betafence over this same period. The exact numbers can presumably be obtained from Betafence themselves (parent company Praesidiad), but broadly they are likely to be as described below:*

- Betafence's UK division, in Sheffield, was the last UK company to operate a wire drawing and galvanising line capable of producing HGSW. This line was being progressively run down from around 2012. Betafence had largely stopped selling to the wider market by 2014 and just supplied their own needs before finally closing the galvanising line in 2016. Therefore, in the statistics for Category 28 over the POI, Betafence would have: initially appeared as a UK producer of Category 28 product; later becoming silent (producing their own in-house needs, but presumably not recording most of it because it was simply WIP within a single larger factory); to finally becoming an importer of HGSW themselves as the galvanising line was progressively shut down. The volumes involved will have been substantial because wire drawing/galvanising lines (such as this one) have a capacity >40 kTes pa. and wouldn't be viable at volumes too much below this. Betafence were also heavy users of galvanised wire both in the rest of their Sheffield factory (agricultural fence, welded mesh and chain link manufacture) and in their gabion-making subsidiary, Hesco, which was based in Leeds. Betafence fully-closed their Sheffield factory in 2018 and the Hesco Leeds factory shut in 2020.*
- As Betafence wound down their agricultural fence making operations in the UK, the majority of their market share went to other UK manufacturers such as Tornado. All of these manufacturers had to use imported wire. In overall terms, the scale of change from the agricultural fencing sector alone would have been of the order of 5 figure Tes per annum moving from domestically-sourced HGSW to imported HGSW over the timeframe of the POI.*
- Betafence's usage of Category 28 products for its welded mesh and chain link machines is quite likely to have been significantly higher than it was for their agricultural fencing machines. Similarly, the usage in gabion manufacture would also have been significant.*
- In total then, the changing fortunes of this one company will have created a shift in domestic vs imported materials in Category 28 of several tens of thousands of tonnes, which is the order of magnitude of the change shown in Table 11 of the TRA report.*
- The closure of the Sheffield factory in 2018 and the Leeds factory in 2020 most likely explains the drop in imports seen in these years (Para 84 of the TRA report).*

*Although HGSW products are only a sub-set of two codes within Category 28, it is clear that they comprise a very significant tonnage within this Category. Whilst there may well be good arguments for reconsidering the original decision (2021 No.1) in relation to other products within Category 28, the above history of HGSW does need to be separated out from any analysis because these products are unique and long gone from being produced in the UK. In particular, it would be a complete travesty if the recent history of HGSW became part of a justification for the continuation of safeguarding measures for the whole of Category 28 products, including HGSW.*



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## **Section C – Certification**

*Only to be completed for the confidential version of this document.*

The undersigned certifies that the information supplied herein is correct and complete to the best of his/her knowledge and belief.

The undersigned certifies that he/she has the authority to supply the information contained herein on behalf of his/her organisation.

Signature (including e-signature):

Name:

Position at organisation:

Date: