



## Anti-Dumping and Countervailing Duties Questionnaire (Producer)

### Cases TD0008 and TS0009: Continuous filament glass fibre products originating in the People's Republic of China

Period of Investigation (POI):	1 January 2020 – 31 December 2020
Injury period:	1 January 2017 – 31 December 2020
Deadline for response:	10th May 2021 extended to 31 <sup>st</sup> May 2021
Contact details:	Anti-Dumping: <a href="mailto:TD0008@traderemedies.gov.uk">TD0008@traderemedies.gov.uk</a> Countervailing duties: <a href="mailto:TS0009@traderemedies.gov.uk">TS0009@traderemedies.gov.uk</a>
Completed on behalf of:	<a href="#">Electric Glass Fiber UK Ltd (NEG UK / "NEG")</a>

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 **10th May 2021**.

Please remember to upload this dumping and countervailing duties questionnaire to **both cases** on the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)). The Trade Remedies Investigation Directorate is investigating each case separately and you will not be able to participate in both if only one is uploaded.



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## Introduction

### About us, this case and this questionnaire

The Trade Remedies Investigations Directorate (TRID) of the UK's Department for International Trade investigates whether trade remedies are needed to prevent injury to UK industry.

TRID was established within the Department for International Trade in March 2019 to give the UK its own independent trade remedies system. Once the Trade Bill has passed through Parliament and received Royal Assent, the Trade Remedies Authority (TRA) will be established as an independent Arm's Length Body, taking over the functions exercised by TRID.

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.

These transition reviews will consider whether the anti-dumping and countervailing measures for continuous filament glass fibre products from the People's Republic of China – customs duties on imports that protect against dumping and subsidisation – are necessary or sufficient to offset dumping and subsidisation and whether there would be injury to the UK industry if these measures were revoked.

A subsidy exists if there is:

- a financial contribution by a foreign authority which confers a benefit on the recipient (usually an industry or business manufacturing goods); or
- a form of income or price support.

Not all subsidies are countervailable (meaning they can be offset through trade remedies). A subsidy is countervailable if it is specific to certain companies or industries and granted either directly or indirectly for the manufacture, production, export or transport of goods.

### Why should I take part?

We are asking UK producers of continuous filament glass fibre products to complete this questionnaire to inform our review of whether the current anti-dumping/countervailing 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 **10th May 2021**. 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 are completing the questionnaire, please contact the Case Team at [TD0008@traderemedies.gov.uk](mailto:TD0008@traderemedies.gov.uk) (Anti-dumping) and [TS0009@traderemedies.gov.uk](mailto:TS0009@traderemedies.gov.uk) (Countervailing).

You can also find out more about the regulatory basis of our investigations. TRID 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 will not 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 ensure that all numbers which represent increasing costs and



sales are reported as positive figures, and decreasing costs and sales are reported as negative figures.

- 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, TD0008 and TS0009, in any correspondence with TRID.

## Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annexes by the due date. We will 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 do not 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, TRID may disregard the information you give us.

All information provided to TRID 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 the like goods, they should **also** complete this questionnaire. Please make sure you provide your subsidiaries with access to this questionnaire.
- If your subsidiaries or associated companies are not UK 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 spreadsheet annexes 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

TRID 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 may be conducted remotely.

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

**We would not be able to host a verification visit between the end of July and the end of August.**

Appendix reference: **None.**





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Once verification is complete, TRID will prepare a report and share a draft with you. TRID 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 continuous filament glass fibre products originating in the People's Republic of China, described as:

- chopped glass fibre strands, of a length not more than 50 mm;
- glass fibre rovings, excluding glass fibre rovings which are impregnated and coated and have a loss on ignition of more than 3% (as determined by the ISO Standard 1887); or,
- mats made of glass fibre filaments excluding mats of glass wool.

These continuous filament glass fibre products are currently classifiable within the following commodity codes (CN codes):

- 7019 11 00;
- ex 7019 12 00 (TARIC codes 7019 12 00 22, 7019 12 00 25, 7019 12 00 26, 7019 12 00 39);
- 7019 31 00.

These commodity 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.**

### Product Control Numbers

TRID uses Product Control Numbers (PCNs) to define and distinguish the different types of products that fall under the goods description above.

PCNs, which come in the form of an **alphanumeric code**, help to create a categorisation system so that comparisons can be made between goods produced in the domestic UK market and those produced in foreign markets.



Field Description	Field format	Explanation and values to be used	Value to be used
Product form	LLLL	Assembled rovings (or Multi-End rovings)	ROAS
		Direct rovings	RODI
		Volumenised direct rovings or Texturised rovings	ROVD
		Dry-use chopped strands	CSDU
		Wet-use chopped strands	CSWU
		Chopped strand mats with emulsion binder	MCSE
		Chopped strand mats with powder binder	MCSP
		Continuous filament mats with emulsion binder	MCFE
		Continuous filament mats with powder binder	MCFP
Rovings:	NN	<b>Only for Rovings:</b>	
linear density (in tex (g/km))		100 to 300 tex	03
		301 to 600 tex	06
		601 to 900 tex	09
		901 to 1200 tex	12
		1201 to 2400 tex	24
		2401 to 4800 tex	48
		above 4800 tex	96
Chopped Strands:	NN	<b>Only for Chopped Strands:</b>	
Fibre Diameter (in micrometres (µm))		6 µm to 10,5 µm (rounded down)	10
		10,6 µm to 12,5 µm	11
		above 12,5 µm	13
Mats:	NN	<b>Only for Mats:</b>	
surface weight (in g/m <sup>2</sup> )		0 to 100 g/m <sup>2</sup>	00
		101 to 200 g/m <sup>2</sup>	10
		201 to 300 g/m <sup>2</sup>	20
		301 to 400 g/m <sup>2</sup>	30
		401 to 500 g/m <sup>2</sup>	40
		501 to 600 g/m <sup>2</sup>	50
		601 to 700 g/m <sup>2</sup>	60
		701 to 800 g/m <sup>2</sup>	70
		801 to 900 g/m <sup>2</sup>	80
		above 900 g/m <sup>2</sup>	90

Please note the following example:

If your product is dry chopped strands of 12.7 micrometres, the PCN structure would be CSDU13.



If your product is assembled rovings with linear density of 630 tex, the PCN structure would be ROAS09.

In this questionnaire and the corresponding annexes, you will be asked to construct PCNs representing the different types of products you produce. When stating your PCNs, please do not use any spaces, dashes or other means of separation, and ensure you follow the order of characteristics outlined in the table above.

Please review the PCN structure shown in the table above and include any comments on it in the box provided.

**NEG has created the PCNs in accordance with the above instructions.**



## 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:	<b>Electric Glass Fiber UK Ltd. (NEG)</b>
Legal structure (e.g. limited company, limited liability partnership, partnership, sole trader, etc.):	<b>Limited company</b>
Year of establishment:	
Other operating names:	<b>NEG</b>
Company registration number:	
Place of registration:	
Name (point of contact):	
Position:	
Address:	<b>132 Leigh Rd, Hindley Green, Bickershaw, Wigan WN2 4XG, UK</b>
Telephone No:	
Email:	
Website:	<b><a href="http://www.neg.co.jp">www.neg.co.jp</a></b>

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

Name:	<b>Laurent Ruessmann   Jochen Beck</b>
Law firm:	<b>Fieldfisher (Belgium) LLP</b>
Address:	<b>Fieldfisher, Boulevard Louis Schmidt 29, 1040, Brussels. Belgium</b>
Telephone No.:	<b>+ 32 2 742 7061   + 32 2 742 70 43</b>
Email:	<b><a href="mailto:Laurent.Ruessmann@fieldfisher.com">Laurent.Ruessmann@fieldfisher.com</a> <a href="mailto:Jochen.Beck@fieldfisher.com">Jochen.Beck@fieldfisher.com</a></b>
Confirm they have signed authority to act (Yes/No):	<b>Yes</b>
	<b>Appendix reference: A.1.2</b>



## A2 About your company

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

**NEG produces the like goods in the UK and sells them to UK and international customers. Confidential [additional details on NEG's business activities]**

Appendix reference: **None.**

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

Date	Legal form	Explanation of change
<b>The legal form of NEG has not changed over the last five years. Please note however that NEG was created out of an asset deal when the NEG group acquired the glass fibre business from PPG in 2016. PPG UK had been established in 1987 and had the company registration number 02110620.</b>		

3. Please 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.

**NEG has the following authorisations: Confidential [details of our authorisations]**

**There are no direct or indirect quantitative restrictions for manufacture, sale or export of the like goods.**

Appendix reference: **None.**

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

**Not applicable. NEG only produces the like product.**

Appendix reference: **None.**

5. Please 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.



NEG is a member of, inter alia, the following organisations:

- GlassFiber Europe;
- Composites UK;
- British Glass.

Appendix reference: [A.2.5](#)

### 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/or distribution of the like goods for domestic and export markets. Clearly indicate the different production stages carried out by your company.

Please refer to Appendix A.3.1 for NEG's internal hierarchical and organisational structure.

Appendix reference: [A.3.1](#)

2. Please complete **Annex 1 – Associated companies**.

- Include your company's worldwide corporate structure and affiliations, including parent companies, subsidiaries and/or other associated companies.
- If your company is the subsidiary of another company, please give the name of this company, as well as that of your company's ultimate controlling entity, their registration number(s) and place(s) of registration.
- Please provide the name, address, email address and telephone number for an appropriate representative from each associated company identified.
- Please list the activities carried out by each associated company (e.g. manufacturing, administration, sales).
- Indicate the shareholdings you have in each associated company and the shareholdings that each associated company has in your company.



## A4 Board members and principal shareholders

1. Please complete **Annex 2 – Shareholdings**, providing a list of all your company's shareholders that owned more than 5% of its shares during the period of investigation (POI), 1 January 2020 – 31 December 2020. Where known, provide details of their activities. Also include, for the last five years:

- your company's registered capital;
- the scope of business; and
- the composition of the Board of Directors and shareholders, including their roles and rights.

Please provide this information for your company and for all its predecessor legal entities.

2. Please explain your procedure for appointing the members of the Board of Directors.

The appointment process of Directors is set out in Article 21 of the Articles of Association. See Appendix A.4.3.

Appendix reference: [A.4.3](#).

3. If applicable to your company, please attach the latest copy of the following documents (in the original language and in English):

- articles of association and all related documents;
- business licence; and
- proof of registration of the company with the competent authorities.

Please describe what you are submitting and provide appendix references for your attachments in the box below. Earlier copies from the date of establishment of the company until the present should be available upon request during any verification visit.

Please refer to Appendix A.4.3 for copies of the following documents:

- articles of association and memorandum of association; and
- company registration certificate.

Appendix reference: [A.4.3](#)

## A5 Operational links with other companies or persons

1. Please indicate if your company has established long-term agreements with any company/companies located in the UK, the People's Republic of China or in third countries for production (e.g. sub-contracting), supply and sale of the like goods, or other licensing, technical patent or compensatory agreements. Include:





- the name and address of the company;
- an explanation of the nature of the agreement; and
- if your company has long-term agreements with other companies for the supply of goods destined for internal sale, e.g. captive use, please provide the contract to demonstrate this.

Company name and address	Nature of agreement	Company registration number	Place of registration
Confidential [details on NEG's long-term agreements with third parties]			
		Appendix reference: <a href="#">A.5.1</a>	

## A6 Accounting practices

1. Give the address where your company's accounting records are kept and can be verified by TRID. 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?
<a href="#">132 Leigh Rd, Hindley Green, Bickershaw, Wigan WN2 4XG, UK.</a>	<a href="#">All company accounting records are kept and can be verified at this address.</a>

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 five financial years, please describe these changes, with reference to any restatements in your financial accounts, including dates and reasons for them.

<a href="#">Our accounting period is 1 January to 31 December. However, as NEG was established in October 2016 (see response to question A.2.2), the company's first accounting period was an extended accounting period from October 2016 to December 2017.</a>
Appendix reference: <a href="#">None.</a>

3. For your company (and for any associated parties, inside and outside of the UK, involved in the production, marketing, sales of like goods, R&D, distribution, and/or supply of goods), please attach a copy of your annual reports, covering the injury period. This may include:
  - statement of financial position;



- statement of profit and loss, and other comprehensive income;
- statement of changes in equity;
- cash-flow statement; notes to the accounts and all reports; and
- auditor's opinion on these documents.

The requested documents are attached as Appendix A.6.3.

Appendix reference: A.6.3

4. If your accounts are unaudited, please attach a copy of your unaudited financial statements for the injury period, 1 January 2017 – 31 December 2020

Not applicable.

Appendix reference: None.

5. Please attach a copy of your company's trial balance (in original system download/print via a PDF 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 January 2020;
- the trial balance which covers the full financial year including 1 January 2020;
- the trial balance which covers the beginning of the financial year to 31 December 2020.

The trial balance is attached as Appendix A.6.5.

Appendix reference: A.6.5

6. For your company and any associated parties involved in the production, marketing and/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 / balance sheet) for the profit centre and total organisation that includes the goods and like goods. Please provide these reports for the (i) POI and (ii) most recently completed financial year.

The requested documents are attached as Appendix A.6.6.

Appendix reference: A.6.6.

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

Please refer to Appendix A.6.7.



Appendix reference: **A.6.7**

8. Please provide a detailed description of your financial accounting system, explaining how sub-ledgers (e.g. costing, debtors, creditors) 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; and
- a brief description of further analysis codes available.

**Please refer to Appendix A.6.8 for our chart of accounts and cost centre overview.**

Appendix reference: **A.6.8.**

9. With reference to the chart provided in the question above, please provide the names of the system(s) you use for financial accounting, sales and production. If you use more than one system, please explain how the systems interact (including whether electronic or manual).

**We use Confidential [details on NEG's system used for financial accounting, sales and production]**

Appendix reference: **None.**

10. Please describe your accounting policies, where applicable, for:

- the recognition and/or timing of income and the impact of discounts and rebates, sales returns, warranty claims and intercompany transfers;
- the depreciation and amortisation method, and the periods used by your company for each class of asset such as intellectual property, plants, buildings, machinery and equipment (including average useful life and the methods for calculating this);
- provisions for bad or doubtful debts;
- the accounting treatment of general expenses and the extent to which these are allocated to the cost of goods;
- the accounting treatment of finance costs and how these are allocated to the cost of goods;
- costing methods (e.g. by tonnes, units, revenue, activity, direct costs, standard costing, etc.) and allocation of costs shared with other goods or processes;
- your inventory valuation methods for raw material, work-in-process, and finished goods, for example, First In First Out (FIFO), Last In First Out (LIFO), current cost, standard cost or weighted average cost;
- aging/obsolete inventories, your write-off and/or write-down process(es);
- valuation methods for scrap, by-products or joint products;



- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation and revaluation of fixed assets, and the subsequent treatment of excess depreciation/amortisation;
- treatment of any subsidies or grants;
- treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items;
- restructuring costs, costs of plant closure, expenses for equipment not in current use and/or plant shut-downs;
- losses arising from transactions and from the translation of balance sheet items; and
- restructuring costs, costs of plant closure, expenses for equipment not in current use and/or plant shutdowns.

Please refer to pages 16 et seq of our 2019 financial statement.

Appendix reference: **A.6.3.**

11. Have you deviated from your financial policies between the financial statements and the POI management accounts / data?

Please explain the changes, including dates and the reasons for those changes along with the financial impact of those changes on the like goods.

**Not applicable.**

Appendix reference: **None.**



## SECTION B: About your goods

### B1 Understanding your like goods

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

We use a PCN number to help us compare the goods subject to review and the domestic like goods. When you are completing this section, you must apply the PCN system set out at the link above to describe your goods consistently throughout your responses. If you do not use the PCN table correctly, this could limit TRID’s ability to use the information you provide.

1. Please detail the goods that you manufacture in the UK, which are like the goods subject to review. Indicate the degree of physical likeness, commercial likeness and functional likeness. Please also provide details of your like goods and the goods subject to review regarding their production processes, interchangeability, raw materials used, degree of model differentiation, tariff classifications, channels of distribution and sale, pricing and other relevant characteristics.

If your company manufactures a range of like goods, list this information for each individual make and model in the range. 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.

**Please refer to Appendix B.1.1 for copies of NEG's product specification sheets.**

**There are no differences in the technical, chemical and physical characteristics and the end-uses of GFR produced in the UK, China or third countries.**

Appendix reference: **B.1.1**

2. Please explain the internal coding system your company uses to classify your range of like goods. If your company uses multiple internal reference codes across departments, cross-reference each one. Cross-reference your internal coding system with any sales (invoice codes) made via associated companies.

Technical documentation (e.g. sales catalogues, safety standards, technical data, etc.) should be attached for each model where available.

**Please refer to Appendix B.1.2. Confidential [details on NEG's internal coding system]**

Appendix reference: **B.1.2**



3. Please complete **Annex 3 – PCN comparison**, indicating which of your like goods (by make or model) that you manufacture are comparable to each of the goods subject to review.

Please substantiate your answers by providing details on any likeness and/or differences you have identified between the goods subject to review and the like goods. 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.

**There are no differences in the technical, chemical and physical characteristics and the end-uses of GFR produced in the UK, China or other third countries.**

Appendix reference: **None.**

4. If you have identified differences in **Annex 3 – PCN comparison** between the goods subject to review and the like goods that you manufacture, please estimate the difference in cost to make and sales price. Explain those differences and the effect they have in the text box below.

Where applicable, this should be on a per unit basis. Describe how you established your estimations and substantiate with evidence where possible.

**Not applicable. See answer to question B.1.3.**

Appendix reference: **None.**

## B2 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 of the like goods, list them and, where possible, estimate what proportion of your sales goes to each.

**The main use of GFR is as raw materials to reinforce thermoplastic and thermoset resins in the composites industry. These are commonly known as fibre-reinforced polymers or glass-reinforced plastic. Thermoplastics and resins reinforced with the product concerned are used in a wide variety of applications including:**

- **Land transport (cars, trucks, buses, trains, etc.);**
- **Electric/electronics (printed circuit boards, computers, signalling equipment, parabolic antenna bowls, etc.);**
- **Wind energy (windmill blades);**
- **Building/construction (public structures, walkways, tunnel lining, architectural panelling, sanitary ware, roofing, etc.);**
- **Industrial/agricultural (tanks, pipes, ducts, etc.), marine (hulls, etc.);**



- Sports/leisure (rackets, fishing rods, golf clubs, water slides, windsurfers, skis, etc.);
- Consumer goods (furniture, household appliances, light holders, carpet backing, etc.);
- Aerospace/military (aircraft, helicopters, etc.); and
- Filtration.

Confidential [details on NEG's customers]

Appendix reference: **None.**

2. Please provide a general description of the UK market for the goods subject to review and the like goods, including the nature and conditions of competition within the overall market. In your answer please refer to:

- the nature of competition within the overall market;
- the degree of price sensitivity;
- the trends and drivers of demand, including causes of demand fluctuations and any factors contributing to overall market growth or decline;
- distribution and marketing;
- general users/end consumers/customers;
- the degree of competition between the goods subject to review and the like goods;
- market segmentation;
- government regulation or tax;
- developments in technology affecting the characteristics, demand or the production process of the goods;
- other commercially significant goods which could be substituted for your goods and the goods subject to review being imported into the UK.
- any other factors that influence the market (e.g. seasonality).

The UK market is a net importer of GFR. Main suppliers are NEG and EU producers who can supply demand. In addition, Chinese GFR producers have a strong presence on the UK market. They supply the UK market either directly from their plants in China or from their plants in third countries, most importantly Egypt and Bahrain. The GFR market has become very price sensitive, especially because Chinese producers have been extremely price aggressive, dumping and undercutting NEG's and EU producers' prices by over 30% for several years.

Confidential [details on NEG's customer relationships and price setting policies]

GFR production is highly capital intensive and producers (that have to operate without heavy government support) need to obtain a certain level of profit Confidential [10-15%] to be able to finance recurring investment requirements and stay in the market.

Appendix reference: **None.**



## SECTION C: Costs and production

### C1 Cost to make and sell

#### 1. Please complete **Annex 4 – Cost to make and sell**

- Report your total cost to make and sell the like goods domestically.
- Please clearly separate your costs to make (direct manufacturing costs and indirect costs), from your cost to sell (administrative, selling and general expenses (AS&G)).
- All values entered in the table should be totals for the POI by PCN.
- Report your total production and total sale quantities for your like goods for the POI by PCN.
- All figures should be reported net of recoverable tax.
- When stating labour costs, please ensure you include all labour costs, directly or indirectly incurred by any activity related to the like good.

Note that headings of each column (e.g. raw materials, energy) can be adapted to suit the naming conventions of your own cost accounting system.

- #### 2. Please list, and explain, your labour, manufacturing overheads and AS&G costs for domestically sold like goods. Describe the individual components of these costs and provide detail on how these costs are paid.

**NEG's labour, manufacturing overheads and AS&G costs comprise of the following cost items:**

##### 1. Labour:

**Confidential [details on NEG's labour costs for domestically sold like goods]**

##### 2. Manufacturing overheads:

**Confidential [details on NEG's manufacturing overheads costs for domestically sold like goods]**

##### 3. AG&S costs:

**Confidential [details on NEG's AG&S costs for domestically sold like goods]**

**Confidential [details on NEG's costs payment method]**

Appendix reference: **None.**





3. Please list all inputs (e.g. raw materials, energy, labour) to the production of the like goods. Indicate the source of your inputs and whether they are imported or domestically sourced.

Please refer to the table below:

Main costs of production items	NEG's source
Confidential [details on NEG's main cost of production items]	

Appendix reference: **None.**

4. 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, please provide details of this arrangement and attach documentation demonstrating any agreements you have.

Confidential [details of NEG's corporate structure and activities]

Appendix reference: **None.**

5. If your company incurred any extraordinary costs (such as start-up or ramp up costs) during the POI, please provide details of these costs, explaining why they were extraordinary and how they have been included and amortised/depreciated in your accounts.

Confidential [details on extraordinary costs incurred by NEG during the POI]

Appendix reference: **None.**

6. Please explain how you finance your production of like goods, your sources of finance, whether there is any cost of finance associated with the production of like goods, and how you have reported this in the cost to make figures and company accounts.

Confidential [details of NEG's financing of production]

Appendix reference: **None.**

7. Please state the cost allocation method used for each PCN for the POI, including an explanation of the allocation under each subheading.

The costs are reported as follows:



Confidential [details on NEG's cost allocation method]

Appendix reference: **None.**

## C2 Cost and sales reconciliation

1. In **Annex 5 – Cost reconciliation**, please only fill in the white cells. Insert additional columns or rows as required. Please include reference to the source documents of the inserted data.
- Please give the total cost of goods sold as shown on your audited financial statement of the most recent accounting period.
  - If the POI and your accounting period are different, please enter the difference in cost of goods sold between the periods. Please provide a reconciliation of the variance
  - Please provide your company's total cost of goods sold over the POI, as shown on your management accounts.
  - Please give the change in finished goods inventory over the period. This usually relates to the difference between the cost of goods sold and cost of production.
  - Please provide the company's total cost of production for the POI as shown on your management accounts.
  - You may manufacture other products that are not under consideration. Please provide the cost of production and the production quantity of the other products that are not under consideration over the POI. Please provide the names of each product group that you have determined to be not the goods. Please add more rows if required.
  - For the cells under 'Cost of production for the goods under consideration', please enter the total cost of production and production quantity.

## C3 Production process

1. Please provide a written summary and a diagram/flow chart of your production process for the like goods that you produce in the UK.

Confidential [details on NEG's production process]

Appendix reference: **C.3.1**

2. Please 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.

**NEG's (UK) entire GFR production process takes place in the UK.**



Please refer to the answer to question C.3.1 above for details about the manufacturing process, which is the same process globally.

The GFR industry is highly capital intensive. Building a greenfield GFR plant costs at least GBP 1.5-2 per kg of capacity. A plant of Confidential [50-90,000] MT costs therefore at least Confidential [GBP 100-300] million. Glass fibres are produced in high volumes and largely according to short-term contracts (of two years maximum) or ad hoc orders. Plants must run constantly and cannot be shut down during an operating cycle. Cooling down and heating up a furnace are very delicate steps that can cause cracks in the refractories (especially after several years of operation) and render unusable the glass produced. Furnaces are therefore shut down only for periodical maintenance that involve the partial or full rebuild of the furnaces. These maintenance shutdowns require very high investments which can amount to between Confidential [GBP10 and 90] million depending on the type and extent of the rebuild. A producer must be confident it will recover these costs during the subsequent operating cycle to keep a plant online.

Furthermore, certain production equipment, such as the bushings, also represent significant cost factors. Bushings are metal plates, made of platinum and rhodium, with a lifetime of approximately 200 days. The costs of one bushing are normally approximately between GBP 60,000 and GBP 90,000, depending on material and size. Prices of rhodium have increased globally by approximately 6-8 fold over the last year which has led to a further increase in bushings costs.

To counterbalance the high fixed costs, and be able to compete with dumped and subsidised imports of GFR from China, we Confidential [details of NEG's business strategy]

Appendix reference: **None.**

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
NEG UK Ltd.	132 Leigh Rd, Hindley Green, Bickershaw, Wigan WN2 4XG, UK

Appendix reference: **None.**

## C4 Joint products and by-products

- Please explain any waste, scrap or by-products related to the production of the like goods. Please explain:
  - how you differentiate your waste, scrap and by products;



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- what you do with your waste, scrap and by-products;
- how any income or cost from waste, scrap or by-products is recorded;
- the average waste, scrap, and by-product ratio resulting from the production process of the goods subject to review and like goods.

Waste can in particular occur at the bushings. If a nozzle is (partially) clogged, the glass strands do not run straight through the bushing and will cross. This causes a bundling of strands which renders the fibres unusable. Specifically skilled workers are then needed to remove the clogging. This operation takes place while the glass continues to run through the bushing. Until the clog is removed, the descending glass strands are unusable and will be scrapped.

Scrap is usually brought to landfills. The average waste ratio is approximately Confidential [5%-15%] of production volume.

Appendix reference: **None.**

2. Please explain how your costs of production (per unit) differ between the like goods and its joint products, if applicable. Comment on the reason for this difference and explain your method(s) of calculation.

**Not applicable.**

Appendix reference: **None.**

## C5 Raw material (RM) and major input purchases

Please complete **Annex 7 – Raw materials and input purchases**, detailing the principal purchases used in the production of the like goods during the POI by your company.

- Please provide a complete breakdown for any inputs that account for more than 5% of the cost to make and sell of your like goods. Please include all purchases of these materials used during the POI.
- For each reported purchase transaction, describe the raw material and its characteristics (e.g. grade, purity).
- If your energy costs constitute more than 1% of your production costs, please also include energy purchases in the annex.
- All figures should be reported net of recoverable tax.

Please provide an invoice and any supporting documents for two of your purchases stated within **Annex 7 – Raw materials and input purchases**. Use the box below to give an overview of any supporting documents provided.



The requested documents are attached as Appendix C.5.1.

Appendix reference: C.5.1

## C6 Purchases of like goods and/or goods subject to review

1. Please complete **Annex 8 – Purchases of like goods**. 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 recoverable tax. Please list for each year every country you have purchased from in a separate row.
2. Please 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.

Confidential [details of NEG's business activities]

Appendix reference: None.



## SECTION D: Sales

### D1 Domestic sales

1. Please complete **Annex 9 – Transaction by transaction (T by T) domestic sales**

- These should include all your domestic sales and returns of the like goods and/or goods subject to review 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 PCN.
- For transactions or invoices that consist of multiple PCNs, the same invoice number should be referenced. All information in a row should refer to the individual PCN displayed in the first column of that row.
- Where a date of sale falls outside of the POI, but the invoice date falls within it, both dates should be provided for the relevant domestic sale transaction.
- All figures should be reported net of recoverable tax.

Please contact the Case Team if you cannot provide the relevant information in sufficient detail.

### D2 Export sales

1. Please complete **Annex 10 – Export sales**.

- These should include all your export sales of like goods for the POI, 1 January 2020 – 31 December 2020.
- Please ensure that you correctly report total volume and total value for your export sales per PCN.
- All figures should be reported net of recoverable tax.

2. Please provide a list of associated customers who purchase like goods. Please explain the nature of the association and any effect it has on the terms of sale to that customer.

**Not applicable. The NEG group is not downstream integrated. We therefore do not have any sales to associated customers. Confidential [details on NEG's sales system]**

Appendix reference: **None.**

### D3 Sales reconciliation

1. Please complete the sales reconciliation table in **Annex 6 – Sales reconciliation** starting from the bottom of the table.



Sales revenue and quantity of like goods during POI:

- For your like goods, enter the sales revenue and quantity for domestic and export sales during the POI as reported in **Annex 9** and **Annex 10**.

Sales revenue and quantity of all goods during POI:

- If you produce goods other than the like goods, please provide the sales revenue and quantity of each of these goods during the POI. Please note that the headings (e.g. Sales revenue/quantity of good A during the POI, Sales revenue/quantity of good B during the POI, etc.) should be adapted to reflect the names of the goods.

Total sales revenue/quantity of all goods during the POI as stated in your management accounts:

- Please provide the total sales revenue and total quantity of all your goods during the POI as shown on your management accounts.
- If this figure does not reconcile with the totals of the sales revenue and quantity data below, the table will show a variance. Please use the text box below to provide an explanation for the shown variance.

Confidential [details on NEG's sales and distribution system]

Appendix reference: **None**.

Difference in total sales revenue of all goods between POI and accounting periods:

- If the POI and your accounting period are different, please enter the difference between the total sales revenue of all goods during the POI and the total sales revenue of all goods during the accounting period as shown in the management accounts.

Total sales revenue of all goods as per Income Statement

- Please provide the total company sales revenue of all goods as shown on your Income Statement of the accounting period that covers the majority of the POI.
- If this figure does not reconcile with the sum of the total sales revenue of all goods during the POI and the difference in sales revenue of all goods between the POI and the accounting period, the table will show a variance. Please use the text box below to provide and explanation for the shown variance.

Confidential [details on NEG's sales and distribution system]

Appendix reference: **None**.

- Please use the text box below to reference any source documentation for the data.



Confidential [details on NEG's sales and distribution system].

Appendix reference: **None.**

- Additionally, please provide quantitative estimates (e.g. projections or forecasts) for the sales revenue and quantity of like goods and of all other goods you plan to produce for the UK market for the next five years.

#### D4 Distribution channels and price setting

1. Please attach copies of distributor or agency agreements that you have relating to the sale of like goods.

Confidential [details on NEG's sales and distribution system]

Appendix reference: **None.**

2. Please provide copies of price lists for the like goods for 1 January 2020 – 31 December 2020.

Confidential [details on NEG's price setting mechanism]

Appendix reference: **None.**

3. 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.
  - If you have issued any credit notes that are not reflected in invoice prices, provide details of the criteria for issuing such notes and the impact that they have on prices (both past and future).

Confidential [details on NEG's price setting mechanism]

Appendix reference: **None.**

4. Please provide details of your distribution network for like goods, if you have one. Do your sales usually include delivery? How do you calculate delivery costs and prices? Does this vary between customers?

Confidential [details on NEG's sales and distribution system]





Appendix reference: **None.**

5. Please attach sales contracts for the top five customers by volume in **Annex 9 – T by T domestic sales** that you have sold like goods to in the POI.

**The requested documents are attached as Appendix D.4.5.**

Appendix reference: **D.4.5**

6. Please select examples of domestic sales of like goods to two different customers included in **Annex 9 – T by T domestic sales**. Please 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.

**The requested documents are attached as Appendix D.4.6.**

Appendix reference: **D.4.6**

## D5 Captive use

1. Please complete **Annex 11 – Captive sales and use**. This should include transaction-by-transaction information for 1 January 2020 – 31 December 2020 detailing your company's individual transfers of the like goods for internal or captive use. You will need to use the [PCN table](#) to categorise each of these transfers by PCN. In the destination column, indicate any transfers for captive use that have not remained on your manufacturing site. In the "use" column, specify how the like goods were used and in the "value" column please assign a market value to the like goods transferred.
2. Please comment on whether your captive use of the like good would be affected if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied? Please attach evidence to support your answer where possible.

**Not applicable.**

Appendix reference: **None.**



## SECTION E: Injury to your company

1. Is your company suffering from injury? If so, please describe the nature and degree of the injury. Please specify and substantiate your claims with evidence. Please estimate the date when the injury began to affect your company. Explain how it has developed since this date.

Injury can relate to the prices, volumes or profits associated with your production and sale of the like goods, or to wider aspects of your business.

Chinese GFR producers have targeted the UK with highly dumped, subsidised and undercutting GFR imports for over a decade. First, Chinese producers sold GFR to the UK directly from their Chinese sites. In 2010, the EU imposed AD measures of around 13%. Those measures were however entirely ineffective as Chinese producers fully absorbed them. In 2014 the EU increased the AD measures and, with the imposition of AS measures, total trade defence measures then amounted to around 25-30%.

However, between 2017 and 2019 Chinese producers have re-increased sales to the UK by progressively lowering sales prices in order to absorb the duties.

China	2017	2018	2019	2020
Volume (MT)	7,082	6,765	10,919	4,612
Price (GPB)	898	873	865	830

In 2020, imports dropped in absolute terms due to government restrictions and the temporary shutdown of international shipping routes. However, considering that especially the downstream UK automotive industry was heavily affected by the government restrictions, Chinese producers managed to maintain a substantive market share through the further lowering of prices.

These unfair trading practices, in combination with global government restrictions in response to the COVID-19 crisis, have caused injury to NEG UK.

In sum, the continuing unfair competition by Chinese GFR producers has put NEG in a fragile situation. Considering that the Chinese GFR industry has not changed their aggressive market behaviour, the continuation of the measures is needed to maintain a fair level playing field on the UK market. Without AD and AS measures, Chinese GFR producers' prices would drop another 30% over night and this will push us and suppliers from other countries out of the UK market within the next 5 years. UK user industries would be faced with a Chinese supply monopoly that would allow Chinese GFR producers to dictate prices on the UK market.

Appendix reference: **None.**



2. Would your company suffer from injury if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied? If your company is already suffering injury, would the nature and degree of the injury change if the existing anti-dumping/countervailing measures no longer applied? If so, please describe the nature and degree of the injury. Please specify and substantiate your claims with evidence.

Injury can relate to the prices, volumes or profits associated with your production and sale of the like goods, or to wider aspects of your business.

Please refer to the response to questions C.3.2 and E.1. GFR production is very capital intensive both in terms of running operations and capex (for the periodic rebuilds of furnaces). If we cannot create a profit that allows us to finance our operating costs and capex, and generate a moderate profit, we will not be in a position to continue our operations.

Without AD/AS measures on imports of GFR from China, Chinese producers will (be able to) drive down prices to a level that will make it impossible for us to cover our operating costs and we will have to cease production. Indeed we have already in the past been forced out of many major UK market segments Confidential [details of NEG business operations] due to the fierce unfair competition from Chinese GFR producers.

Confidential [details on NEG's production capacity and furnace rebuild schedules]

Appendix reference: **None.**

3. Please provide details if your cost of production of the like goods has changed significantly during the injury period. If so, please explain the cause(s) and substantiate with evidence. How would your costs to make and sell change in the next five years if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied? Please describe the nature and degree of the change, and provide supporting evidence. If possible, please provide annual cost of production estimates (e.g. projections or forecasts) for the next five years and use the text box below to explain the methods used to calculate these estimates.

NEG's production costs have changed in particular due to the increase of rhodium prices (see above).

Without the current AD /AS measures, our costs would increase because we would lose sales volume to dumped Chinese imports. Indeed, lost sales would force us to lower our output, and unit production costs would increase as a result. Also the lowering of output is only possible to a certain extent. A GFR plant cannot be shut down completely and restarted. The glass melting process must be continuous (from one rebuild to another). Stopping it would damage the refractory stones that form the melting basin. This not only impacts the product quality of the melted glass, but can also cause cracks in the stones that could result in dangerous leaks (of melted glass).



Production volume that we cannot sell would, because of its limited shelf life, become waste. However, if we cannot run the furnaces at capacity, it is not economically feasible to continue the operations, let alone to invest in another rebuild.

Appendix reference: **None.**

4. Please complete **Annex 12 – Injury**. This should be completed in reference to your UK production of the like goods for the injury period. For the following injury factors listed in the annex, please explain in the text box below:

- How you calculated and apportioned your average net operating profit after tax (NOPAT) for the like goods;
- How you calculated and apportioned your finance costs (e.g. interest) incurred for the like goods;
- How you assess your stock levels. Please indicate if your stock levels were abnormally high during the injury period. If so, please explain.
- How you estimated your percentage of market share for the like goods;
- How you calculated your production capacity and capacity utilisation for the like goods, and the cause(s) of any significant variations;
- How you set your wages, and the cause(s) of any significant variations; and
- How your total employees involved in manufacturing of the like goods are split across different sites/locations in the UK.

**Confidential [details on NEG's calculation methodology]**

Appendix reference: **None.**

5. Please explain whether any of the indicators listed in **Annex 12 – Injury** would be affected if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied. Please substantiate your claims with evidence. Where possible, please add additional rows in **Annex – 12 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.

It is not possible to provide a detailed forecast of our performance for the next 5 years in the format of Table 12. However, NEG estimates that the main injury indicators would develop as follows in the next five years should the existing anti-dumping/countervailing measures no longer apply:

- Production will decrease and unit costs would increase significantly. Please also refer to the answers to questions E.3 and H.1.3;
- The prices of GFR will decrease significantly. Please also refer to the answers to questions B.2.2, E.2 and E.7;
- Sales volumes will decrease. Please also refer to the answer to question E.3;



- Market share will decrease. Please also refer to the answers to questions E.4 and H.1.5;
- Investments will decrease. If the market conditions do not allow the UK industry to generate a reasonable profit. Please also refer to the answers to questions C.3.2 and E.2;
- Employment will decrease significantly as a result of the decrease in production and sales. Please also refer to the answers to questions H.1.3 and H.1.16;
- Profitability will be severely negatively impacted. Please also refer to the answer to question E.6;
- UK's ability to internally control the supply chain for the decarbonised economy would be severely restricted, therefore reducing the UK's potential to successfully realise the 10 point plan.

Appendix reference: **None.**

6. 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 and as a percentage of turnover, for the like goods be affected if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

**In the medium- and long-term, we need to achieve an average annual profit of between Confidential [10-20]% Confidential [details on NEG's forecasted profit and consequence if measures are not extended].**

Appendix reference: **None.**

7. Please 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/countervailing measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

**Our pricing policy takes into account Confidential [details on NEG's pricing policy]**

**While we try to make a profit on all our sales, market reality (irrespective of the current global crisis) is that Chinese producers are (even despite the AD and AS measures) extremely price aggressive, and have been forcing market prices down by at least Confidential [details on NEG's profit] from what we would need to be profitable. Chinese producers can offer GFR at lower prices because they have massive State subsidisation from the Chinese government and therefore do not need to worry about**



fixed costs or capex. Their aim is global market dominance and to achieve this they use an extremely aggressive pricing policy to drive competition out of the market.

Appendix reference: **None.**

8. Please complete **Annex 13 – Investments**.

- Please include information relating to total investments and investments that relate to the like goods only for the injury period.
- 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 – 13 Investments** to provide estimates (e.g. projections or forecasts) for the next five years.
- For the investments you have made during the injury period, please also provide the depreciation incurred company-wide and for the like goods.

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.

**Confidential [details of NEG's financing of investments].**

Appendix reference: **None.**

9. 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 evidence (e.g. funding proposals, loan approvals or other relevant financial documents, etc.). Please also 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/countervailing 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.

**Furnaces typically have a 10-15 years life, and require major investment to rebuild them.**

**Confidential [details on NEG's past and future furnace rebuilds]**

**Please refer to Annex 13 for further details.**

Appendix reference: **None.**

10. Please complete **Annex 14 – Return on fixed assets** related to the production of the like goods.



- Indirectly related assets are used in the upstream process for the production of the like goods. For these assets, please explain in the text box below how you apportion the corresponding values to the production of the like good.
- If you cannot provide information for indirectly related assets, explain the reasons for this. Please describe the effects this has on the level and trend of return on investment of the like goods.

Annex 14 has been completed in accordance with the above instructions.

Appendix reference: **None.**

11. Please complete **Annex 15 – Cash flow for the like goods.**

- Ensure the depreciation you state for the POI in this annex matches the figure stated in **Annex 5 – Cost reconciliation.**
- The figures for inventory should relate to the numbers in the section on stocks in **Annex 12 – Injury.**
- If you have an alternative cash flow calculation for the injury period, please attach it and explain how it has been calculated in the box below.

Not applicable.

Appendix reference: **None.**

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

Confidential [details on NEG's budgets]

Appendix reference: **None.**

13. Please complete **Annex 16 – Forward sales contracts.** Describe and attach copies of all forward sales contracts/ongoing supply agreements for the 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/countervailing measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.





**Confidential [details on NEG's sales policy]**

Appendix reference: **None.**

14. If your company is suffering from injury, please explain and indicate the degree to which this has been caused by the alleged dumping/subsidisation of the goods subject to review. 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 claims with evidence.

Would the cause(s) or degree of injury change if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

**Please refer to the answers to the previous questions of this section. Apart from the global crisis caused by COVID-19 related government restrictions, unfairly sold GFR from Chinese State-owned producers are the only cause of our injury.**

Appendix reference: **None.**

15. Is your company under threat of injury? If so, please describe the threat, its cause(s) and how the injury is clearly foreseen and imminent. Please describe the nature and immanency of any threat and substantiate your claims with evidence.

**Please refer to the answers to the previous questions of this section. The UK industry is already in a fragile situation caused by dumped and subsidised imports of GFR from Chinese State-owned producers. If the AD and AS measures are terminated, especially in the context of the current pandemic, we will certainly lose our (remaining) domestic UK business to unfairly priced Chinese imports. Confidential [details on NEG's plans for future furnace rebuilds]**

Appendix reference: **None.**

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





Please refer to the answers to the previous questions of this section.

Appendix reference: **None.**



## 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 subject to review in the People's Republic of China.

We do not have information on the NV in China and we would consider such normal values to be highly distorted by government interference. The TRID should therefore not base its dumping calculations on the NV in China, but construct the NV by reference to an appropriate (representative) third country with a functioning market economy.

Considering the complexity of (i) the assessment of Chinese distortions in the GFR sector, (ii) the selection of the appropriate (representative) third country, and (iii) the dumping calculations, we attach a separate comprehensive annex addressing all questions of section F in narrative format (distortions and choice of country) and excel format (dumping calculations).

Appendix reference: [F.1.1](#)

2. Do you have any information about the export price of the goods subject to review from the People's Republic of China to the UK ? 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 of the goods subject to review from the People's Republic of China to the UK.

Please refer to [Appendix F.1.1](#).

Appendix reference: [F.1.1](#)

### 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.



The largest and most aggressive and dominant Chinese GFR producers by far are the State-owned conglomerates Chongqing Polycomp International Corp (CPIC), and Jushi Group Co. Ltd (Jushi). (The ultimate parent company of Jushi, the China National Materials Group ("CNBM") acquired Taishan in 2018 and incorporated its GFR business under Jushi, making it the largest GFR producer globally.) Jushi and CPIC account for approximately 75% of Chinese GFR capacities.

In 2020, global GFR demand was in the range of 6.-6.5 million MT and global capacities were approximately 7.0 to 7.5 million MT. GFR capacities in China were approximately 3.6 to 4.1 million MT, while Chinese domestic GFR demand was only in the range of 2.4 to 2.9 million MT. The overcapacities are sold at massively dumped prices on export markets including the UK.

Appendix reference: None.

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 five years? Please provide evidence if available.

In 2020, Jushi added a new production site in Chengdu Qingbaijiang, China with a capacity of 250,000 MT for over CNY 3.1 billion. This plant is specifically targeting the European, including the UK market.

Appendix reference: F.2.2

3. Please provide any additional information that might inform our assessment of whether the goods subject to review are likely to be dumped in the UK market 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 the good subject to review compared to the market in third countries; and
  - any other relevant factors.

Please provide supporting evidence where possible.

We have attached as Annex F.1.1 full AD calculations for Chinese exports to the UK. We also added dumping calculations based on Chinese exports to third countries. The calculations clearly demonstrate that Chinese GFR producers systematically engage in dumping. It is therefore certain that dumping will continue and worsen should the AD and AS measures be terminated.



Appendix reference: [F.1.1](#)

### 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.

**Neither costs nor profits of the Chinese GFR industry are substantially determined by market forces but are rather determined by massive government interference. It is therefore not appropriate to use domestic prices or costs in China to establish the NV. Rather the NV must be established with reference to a third country with proper market conditions and forces. See further Appendix F.1.1.**

Appendix reference: [F.1.1](#)

### F4 Specificities regarding the People's Republic of China

1. Are you aware of any distortions in the People's Republic of China related to any of the raw materials or other inputs used in the production of the goods subject to review or like goods? Please, be specific, describe such distortions in detail and provide evidence.

**The Chinese GFR sector is heavily distorted. The main producers, CPIC and Jushi, are large state-owned production conglomerates that benefit from massive subsidies. The GFR industry is an industry sector targeted for key support under the 5-Year Plans. See further Appendix F.1.1.**

Appendix reference: [F.1.1](#)

2. Are the raw materials or other inputs (e.g. energy) concerned by the distortions likely to represent a significant cost of production of the goods subject to review and like goods? You should provide a detailed breakdown of the costs of production (including the subheadings) of the goods subject to review and like goods in the People's Republic of China. Please be specific and detailed in your response, providing evidence to support your claims.

**See Appendix F.1.1.**

Appendix reference: [F.1.1](#)

3. Is the price of the raw materials concerned affected by the distortions on raw materials or other inputs in the People's Republic of China? Explain and provide examples demonstrating how prices of the raw materials or other inputs are affected by the



distortions in your domestic market during the POI. Please be specific and detailed in your response, providing evidence to support your claims.

See Appendix F.1.1.

Appendix reference: F.1.1

4. What would be a representative international market for any raw material or other input affected by a distortion? Provide prices of such raw material or other input in these markets for the POI. Please provide a specific, detailed explanation of your choice, supported by evidence.

See Appendix F.1.1.

Appendix reference: F.1.1

5. Please provide any additional information, not described above, which you think would be useful to help our investigation in assessing the market distortions, including but not limited to:
- situations/distortions in the domestic market of the exporting country where prices are artificially low;
  - situations where there is significant barter trade;
  - situations where prices reflect non-commercial factors; and
  - any other reasons, which suggest that it is not appropriate to use the comparable price to determine the normal value of the goods subject to review.

Please be specific and detailed in your response, providing evidence to support your claims.

See Appendix F.1.1.

Appendix reference: F.1.1



## SECTION G: Subsidies

### G1 General

The programmes being considered by this transition review are listed in the table below. Please use this section of the questionnaire to provide any information you have on the programmes listed. You can also provide information on any other subsidy programmes that you believe relate to the production and/or sale of the goods subject to review.

#### Subsidy programmes

No.	Subsidy name	Subsidy type
1	Provision of goods or services for less than adequate remuneration	Provision of land for less than adequate remuneration; Provision of power (e.g. electricity or gas) for less than adequate remuneration; Provision of input materials for less than adequate remuneration
2	Direct transfer of funds	Provision of preferential financing by State policy banks and State-owned commercial banks; Provision of preferential loans by private banks entrusted and directed by the GOC to carry out functions normally vested in the government; Export financing, export credits, export guarantees and insurance; Grant programmes.
3	Government revenue that is otherwise due is forgone or not collected	Loans and interest forgiveness; Income and other direct taxes programmes: such as preferential tax policies for companies that are recognised as high and new technology enterprises, tax policies for the deduction of research and development expenses, accelerated depreciation of equipment used by high-tech enterprises, dividend exemptions, land use tax exemptions, export tax rebates, tax policies for foreign invested enterprises, import tax and VAT rebates; Tariff exemption programmes such as preferential export tax rebates
4		

+Add/remove additional rows as required.



## G2 Grants

### Programmes: Grants

1	Subsidies for Development of "Best Corporate Brand", "China's well-known trademark", "Jiangsu Famous brand" and similar programmes
2	Technology, innovation and development grants, funds and awards
3	Corporate development grants
4	Other grants

+Add/remove additional rows as required.

Please answer the following questions for each of the identified **grants** clearly referencing the relevant programme in your answers.

3. Do you have any information about the **grants** identified in the table above that were received or provided a benefit in the People's Republic of China during the POI? Where possible, please substantiate your answers with evidence, including details of:
- the foreign authority responsible for providing the subsidy;
  - conditions of eligibility for receipt of the subsidy;
  - all known recipients of the subsidy;
  - the amount of the subsidy;
  - when the subsidy programme commenced;
  - frequency of subsidy i.e. one-off or re-occurring;
  - the effect of the subsidy on the production and sales of the goods subject to review.

We collected all information we could obtain on subsidy programs in place for the Chinese GFR industry. Due to the volume of information, we provide this in a separate Appendix G.

Appendix reference: **G**

4. To your knowledge, are any of the **grants** identified in the table above no longer active?

Please refer to Appendix G.

Appendix reference: **G**

5. To your knowledge, if any of the **grants** in the table above are no longer active but have been replaced by a different one, please identify any **replacement programmes** and for each indicate:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;



- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**

6. Do you have information about any other **grants** that were received or provided a benefit in the People's Republic of China during the POI, not listed in the table above but relating to the production and/or sale of the goods subject to review? Please substantiate your answer with evidence including details of:

- the name and type of subsidy;
- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**

### G3 Loans

#### Programmes:

1	Preferential loans – direct transfer of funds
2	Other loans and credit lines

+Add/remove additional rows as required.

Please answer the following questions for each of the identified **loans**, clearly referencing the relevant programme in your answers.

1. Do you have any information about the **loans** identified in the table above that were received or provided a benefit in the People's Republic of China during the POI? Where possible, please substantiate your answers with evidence, including details of:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;





- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**

2. To your knowledge, are any of the **loans** identified in the table above no longer active?

Please refer to Appendix G.

Appendix reference: **G**

3. To your knowledge, if any of the **loans** in the table above are no longer active but have been replaced by a different one, please identify any **replacement programmes** and for each indicate:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**

4. Do you have information about any other **loans** that were received or provided a benefit in the People's Republic of China during the POI, not listed in the table above but relating to the production and/or sale of the goods subject to review? Please substantiate your answer with evidence including details of:

- the name and type of subsidy;
- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**



## G4 Land-use rights

### Programmes: Land-use rights

1	Provision of land use rights
---	------------------------------

+Add/remove additional rows as required.

Please answer the following questions for each of the identified **land-use rights**, clearly referencing the relevant programme in your answers.

1. Do you have any information about the **land-use rights** identified in the table above that were received or provided a benefit in the People's Republic of China during the POI? Where possible, please substantiate your answers with evidence, including details of:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**

2. To your knowledge, are any of the **land-use rights** identified in the table above no longer active?

Please refer to Appendix G.

Appendix reference: **G**

3. To your knowledge, if any of the **land-use rights** in the table above are no longer active but have been replaced by a different one, please identify any **replacement programmes** and for each indicate:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.



Appendix reference: [G](#)

4. Do you have information about any other **land-use rights** that were received or provided a benefit in the People's Republic of China during the POI, not listed in the table above but relating to the production and/or sale of the goods subject to review? Please substantiate your answer with evidence including details of:

- the name and type of subsidy;
- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to [Appendix G](#).

Appendix reference: [G](#)

## G5 Export credits and financing

### Programmes: Export credits and financing

1	Export-contingent loans at preferential rates and export buyers' credit.
2	Export Credit insurance and credit lines

+Add/remove additional rows as required.

Please answer the following questions for each of the identified **export credits and financing**, clearly referencing the relevant programme in your answers.

1. Do you have any information about the **export credits and financing** identified in the table above that were received or provided a benefit in the People's Republic of China during the POI? Where possible, please substantiate your answers with evidence, including details of:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to [Appendix G](#).

Appendix reference: [G](#)



2. To your knowledge, are any of the **export credits and financing** identified in the table above no longer active?

Please refer to Appendix G.

Appendix reference: **G**

3. To your knowledge, if any of the **export credits and financing** in the table above are no longer active but have been replaced by a different one, please identify any **replacement programmes** and for each indicate:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**

4. Do you have information about any other **export credits and financing** that were received or provided a benefit in the People's Republic of China during the POI, not listed in the table above but relating to the production and/or sale of the goods subject to review? Please substantiate your answer with evidence including details of:

- the name and type of subsidy;
- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**

## G6 Government revenue that was forgone or not collected

Programmes: Government revenue that was forgone or not collected

1	Provision of electricity at reduced rates
---	---

+Add/remove additional rows as required.



Please answer the following questions for each of the **Government revenue that was forgone or not collected**, clearly referencing the relevant programme in your answers.

5. Do you have any information about the **Government revenue that was forgone or not collected** identified in the table above that were received or provided a benefit in the People's Republic of China during the POI? Where possible, please substantiate your answers with evidence, including details of:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: G

6. To your knowledge, are any of the **Government revenue that was forgone or not collected** identified in the table above no longer active?

Please refer to Appendix G.

Appendix reference: G

7. To your knowledge, if any of the **Government revenue that was forgone or not collected** in the table above are no longer active but have been replaced by a different one, please identify any **replacement programmes** and for each indicate:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: G

8. Do you have information about any other **Government revenue that was forgone or not collected** that were received or provided a benefit in the People's Republic of China during the POI, not listed in the table above but relating to the production and/or sale of the goods subject to review? Please substantiate your answer with evidence including details of:



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- the name and type of subsidy;
- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: [G](#)

### G7 Any other programmes

1. Please use the table below to indicate the name and type of any other subsidy programmes that you have not previously addressed. These should have been received or provided a benefit in the People's Republic of China during the POI and concern the production and/or sale of the goods subject to review.

No.	Subsidy name	Subsidy type
1	Please refer to Appendix G.	
2		
3		
4		
5		
6		

+Add/remove additional rows as required.

2. For any subsidy programmes you have identified above, please substantiate each with details of the following, clearly referencing the relevant programme in your answers:
- the foreign authority responsible for providing the subsidy;
  - conditions of eligibility for receipt of the subsidy;
  - all known recipients of the subsidy;
  - the amount of the subsidy;
  - when the subsidy programme commenced;
  - frequency of subsidy i.e. one-off or re-occurring;
  - the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: [G](#)

### G8 Preferential tax programmes

Programmes: Preferential tax programmes



1	Preferential income tax treatment and Tax offset for research and development
2	Enterprise Income Tax (EIT) and reduction for high and new technology enterprises
3	Other tax benefits for high-technology enterprises
4	Dividend exemption / withholding tax reduction between foreign-invested Chinese enterprises and their non-Chinese parent companies
5	Dividend exemption between qualified resident enterprises
6	Accelerated depreciation of equipment used by High-Tech enterprises for High-Tech development and production
7	Export tax rebates
8	Import tariff and VAT rebates
9	Preferential export tax rebates
10	VAT rebates on FIE purchases of Chinese-made equipment
11	Regional and local versions of the above tax schemes

+Add/remove additional rows as required.

Please answer the following questions for each of the identified **preferential tax programmes**, clearly referencing the relevant programme in your answers.

1. Do you have any information about the **preferential tax programmes** identified in the table above that were received or provided a benefit in the People's Republic of China during the POI? Where possible, please substantiate your answers with evidence, including details of:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**

2. To your knowledge, are any of the **preferential tax programmes** identified in the table above no longer active?

Please refer to Appendix G.

Appendix reference: **G**

3. To your knowledge, if any of the **preferential tax programmes** in the table above are no longer active but have been replaced by a different one, please identify any **replacement programmes** and for each indicate:



- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**

4. Do you have information about any other **preferential tax programmes** that were received or provided a benefit in the People's Republic of China during the POI, not listed in the table above but relating to the production and/or sale of the goods subject to review? Please substantiate your answer with evidence including details of:

- the name and type of subsidy;
- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: **G**

## G9 Tariff and VAT exemptions

### Programmes: Tariff and VAT exemptions

4	VAT exemptions and import tariff rebates for the use of imported equipment
---	--

+Add/remove additional rows as required.

Please answer the following questions for each of the identified **tariff and VAT exemptions**, clearly referencing the relevant programme in your answers.

1. Do you have any information about the **tariff and VAT exemptions** identified in the table above that were received or provided a benefit in the People's Republic of China during the POI? Where possible, please substantiate your answers with evidence, including details of:
- the foreign authority responsible for providing the subsidy;
  - conditions of eligibility for receipt of the subsidy;
  - all known recipients of the subsidy;





- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: [G](#)

2. To your knowledge, are any of the **tariff and VAT exemptions** identified in the table above no longer active?

Please refer to Appendix G.

Appendix reference: [G](#)

3. To your knowledge, if any of the **tariff and VAT exemptions** in the table above are no longer active but have been replaced by a different one, please identify any **replacement programmes** and for each indicate:

- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.

Appendix reference: [G](#)

4. Do you have information about any other **tariff and VAT exemptions** that were received or provided a benefit in the People's Republic of China during the POI, not listed in the table above but relating to the production and/or sale of the goods subject to review? Please substantiate your answer with evidence including details of:

- the name and type of subsidy;
- the foreign authority responsible for providing the subsidy;
- conditions of eligibility for receipt of the subsidy;
- all known recipients of the subsidy;
- the amount of the subsidy;
- when the subsidy programme commenced;
- frequency of subsidy i.e. one-off or re-occurring;
- the effect of the subsidy on the production and sales of the goods subject to review.

Please refer to Appendix G.



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Appendix reference: [G](#)



## SECTION H: Economic Interest Test

### H1 Economic interest

The economic interest test helps TRID assess the economic impact of a measure compared to what would happen if it no longer applied. There are six factors which TRID 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 TRID 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.

1. Please provide the names, legal addresses and telephone numbers of all known domestic companies that produce the like goods and/or are involved in the importation, distribution or sale of the goods subject to review.

**NEG is the only UK producer.**

**To the best of our knowledge, most large users source directly from producers without the involvement of traders or importers. Smaller users may employ traders / agents.**

Appendix reference: **None**

2. Please provide an overview of your supply chain for the like goods, from raw materials through to final customers. Where possible, please include the name, location and size of UK companies at each stage.

**Confidential [details on NEG's supply chain]**

Appendix reference: **H.1.2**

3. Please provide total annual employment figures in FTE (full-time equivalents) for the injury period for all your company's business activities relating to production of the like goods. Where possible, provide sub-totals for each of your company's sites or facilities. Please indicate how would these employment figures be affected if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied? Please



substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for the next five years and explain the method used to calculate them.

**Confidential [details on NEG's employment figures]**

**NEG sees making people redundant as a last resort. However, if the existing AD and AS duties on GFR from China are not extended and Chinese GFR producers can penetrate the UK market without corrective measures in place, we foresee that we will have to make people redundant and finally shut down the plant entirely for the reasons explained in Section E.**

**Confidential [details on NEG's production forecasts]**

Appendix reference: **None.**

4. Please provide the median annual gross wages for all your company's sites involved in the production of the like goods during the injury period. If you are unable to provide median figures, please provide mean figures. Please indicate how would these wages be affected if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied? Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for the next five years and explain the assumptions made.

**Confidential [details on NEG's median annual gross wages]**

**Please see the response to the previous questions. Without AD/AS measures we will likely have to shut down the site within the next Confidential [details on NEG's production forecast] years.**

Appendix reference: **None.**

5. Please state your share of the domestic market for continuous filament glass fibre products based on sales volumes (including imports of the goods subject to review and like goods as well as domestically produced like goods). Please indicate how would this share be affected if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied? Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for the next five years and explain the method used to calculate them.

**Confidential [details on NEG's market share and forecast in case the measures are prolonged]**



On the other hand, should the existing AD and AS duties be discontinued, we expect that imports of dumped and subsidised GFR from China will flood the UK market and will eventually push us out of it.

Appendix reference: **None.**

6. Please comment on how significant production of the like goods is in relation to your company's entire UK production. Within your response, please state the share of total production value represented by the like goods during the POI.

**Confidential [details on NEG's production]**

Appendix reference: **None.**

7. For the like goods and/or goods subject to review, please state (by value) the proportion of your total sales that was exported during the POI.

**NEG only exports GFR. Confidential [details on NEG's export sales]. See also response to question H.1.5.**

**As a general remark, dumped and subsidised GFRs from China also heavily undercut us on third country markets (compare Chinese global export prices in the GTA export statistics, attached as Annex F.1.1.).**

Appendix reference: **None.**

8. Please indicate who the consumers of the like goods are, which industry and level of trade they relate to and whether they are companies or private individuals. Are the like goods considered to be an intermediate and/or final good?

**GFR customers are industrial users. GFR is the first step of the glass-based lightweight material value chain. GFR are used in an increasing number of industry sectors (such as construction, transport, energy, sport and leisure; see also answer to question B.2.1) to replace heavier, more energy-consuming materials such as steel and concrete. Uses and applications for GFR are fast growing as GFR are an important 2021 material for meeting today's challenges, such as climate change and responsible use of natural resources. Please refer to Appendix H.1.2 for a list of the known UK GFR users. NEG has therefore invested massively in developing new solutions and applications in coordination with its UK and international clients over the last decade.**

Appendix reference: **None**



9. Would any other industries, markets or products be affected if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied?

GFR production is the first and most challenging step in the glass-based lightweight materials value chain, since it is there that the GFR industry essentially transforms sand into bendable glass fibre filaments. Through special processing, the fibres are combined with resins and then hold together wind blades, cars, pipes and boats. As all subsequent production steps depend on the performance of the GFR products, they are the main driver of innovation in the value chain.

The UK GFR industry has a strong interest in the ability of its customers to thrive. NEG works closely with their direct customers and downstream users to improve the value chain for glass-based lightweight materials and to develop new applications and markets. NEG therefore cooperates intensively with downstream industries to make workflows and products more efficient and to develop new solutions, applications and markets.

Confidential [details on NEG's cooperation projects]

All these improvements have opened new solutions and markets and allowed UK users of GFR to compete more efficiently, to the ultimate benefit of UK consumers and the climate. To the best of our knowledge, Chinese GFR producers do not offer a level of joint R&D that comes close to that of the UK (and EU) industry.

The survival and competitiveness in a global environment of the UK GFR industry and the presence of fairly priced imports from third countries such as the EU are therefore essential to the maintenance and growth of a healthy and vibrant UK glass-based lightweight materials value chain. In this regard, the COVID-19 pandemic, and the restrictions imposed by national governments globally in response thereto, have highlighted the risks and unsustainability of sole or predominant reliance on global supply chains.

In addition, China sees the GFR value chain as one of its main priorities and Chinese State-owned GFR producers, irrespective of whether they are located in mainland China or a "Belt and Road country", are often downstream-integrated. It is therefore extremely unlikely that they would support the fostering of the UK value chain over their own. The findings of the EU trade defence investigations of imports of GFR and of glass fibre fabrics (GFF) and the experiences of the last months (temporary demand surge in China led Chinese GFR producers to refuse to supply UK customers) confirm this point.

Therefore, if Chinese GFR producers were to succeed in pushing the UK GFR industry and GFR suppliers from third countries out of the UK market, this would lead to an overall loss in innovation and development of new market applications with very negative effects for the entire UK value chain, as well as for the UK's environmental initiative.



**In sum, together with fair GFR suppliers from third countries, the UK GFR industry is the main promoter and driver of innovation in the UK glass fibre-based lightweight value chain. Without them, UK users would not be able to develop the innovative solutions and new applications they need to stay competitive vis-à-vis the major State-owned producers in China.**

Appendix reference: **None**

10. Please describe how you would expect the following to be affected if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied:

- market price of the like goods in the UK;
- total UK output of the like goods;
- total imports of the goods subject to review to the UK; and
- total exports of the like goods and/or goods subject to review from the UK.

Where possible, please provide estimates for the next five years (e.g. projections or forecasts) to support your claims.

**If the existing anti-dumping and countervailing measures on GFR no longer applied, we expect:**

- **an increase imports of dumped and subsidised GFR from Chinese producers;**
- **a decrease of the market price of GFR in the UK, under the pressure of cheap high-volume imports of GFR from Chinese producers;**
- **a steep decline in imports from fairly competing producers in third countries.**
- **a decrease in market share of the UK GFR industry ;**
- **UK users to be at the mercy of Chinese producers that can then dictate prices and supply terms.**

**In sum, Chinese producers would become the main and eventually the sole suppliers and could then dictate prices on the UK market. There would be a loss in R&D and innovation in downstream industries.**

Appendix reference: **None**

11. Do you know of any related industries that would be affected if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied? Please consider in particular:

- upstream industries – those who produce inputs needed for the like goods or goods subject to review;



- downstream industries – those who purchase the like goods or goods subject to review.

Confidential [details on NEG's suppliers]

Appendix reference: **None**

12. To what extent would you expect any changes in prices for the goods subject to review or the like goods to be passed onto final consumers?

As GFR are the first step of the value chain, its portion of costs in the final product is entirely negligible (e.g. 0.5% of the costs of a car and even less of the price of a car).

In fact, the EU AD and AS investigations have repeatedly confirmed that even for most direct downstream industries, the costs of AD/AS duties are negligible and that with high value added at each production step, the cost impact decreases exponentially at each further step downstream. *"It is highly likely that the users in the compounding, composites and wind turbines industries can absorb part or the entirety of the cost increase. Moreover, they might also be able to pass on part of the increased costs to their customers."* Commission Regulation 1379/2014, recital 399.

The termination of the AD/AS measures would therefore not bring any significant financial advantage to UK downstream producers. Even if some users might insist on the existence of short-term cost gains, we strongly believe that they do not outweigh the long-term benefit of having domestic GFR production and fairly imported GFR from third countries to support the entire UK glass-based lightweight value chain. Chinese state-owned vertically integrated conglomerates are moving rapidly downstream and will start competing at every level with subsidised prices trying to push UK industries out of the market. Our industry sector can only survive and thrive in the medium- and long-term, if we benefit from integrated cooperation and joint R&D.

Appendix reference: **None**

13. Please explain any effects on your plans for future investment or expansion in the UK if the existing anti-dumping/countervailing measure no longer applied. Please state how this would affect different sites/locations of your company and support your claims with evidence.

As explained previously, GFR plants need to undergo rebuilds every 10 years on average. Confidential [details on NEG's furnace rebuild plans]

Appendix reference: **None**





14. As a public body, TRID 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/countervailing measure might disproportionately affect any of these groups, please provide it in the box below.

**To the best of our knowledge, the continuation of the existing measures would not disproportionately affect any of the above groups. On the contrary, the removal of the measures would be certain to cause a drop in UK employment in the sector, which in turn would have an impact on all of the above groups.**

Appendix reference: **None**

15. Please explain how continuing a trade remedy measure could affect the following aspects of the competitive market environment and structure for the like goods and goods subject to review in the UK:

- the range of suppliers of this type of goods in the UK;
- the ability of suppliers to compete in this market;
- the incentives for suppliers to compete vigorously;
- consumer choices and information available to them.

Please provide evidence to support your answer.

**The maintenance of the AD/AS measures is the prerequisite for the further development of a strong UK glass-based lightweight value chain, an industry chain that is essential for meeting 21st century challenges, such as climate change, transport and logistics, and energy efficiency and clean energy.**

Appendix reference: **None**



16. Please describe the nature and degree of any regional impacts that you would expect if the existing anti-dumping/countervailing measure on the goods subject to review no longer applied.

If we had to close down, approximately 4000 direct and indirect jobs would be lost in Wigan and the surrounding areas. In addition, downstream industries in many other parts of the UK would have to compete with subsidised Chinese products without the benefit of our R&D support and eventually be pushed out of the market because they would no longer be able to compete via innovation with dumped and subsidised imports.

Appendix reference: **None.**

17. If there are any additional economic factors that you consider to be relevant for the economic interest test in this review, please provide details here along with any supporting evidence.

Please refer to the previous answers in this section.

Appendix reference: **None.**



## SECTION I: Next steps and declaration

### Next steps

Once you have completed all parts of the questionnaire, the declaration on the following page should be signed by an authorised official of your company.

The questionnaire, spreadsheet annexes and any appendices should be submitted through the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by **10th May 2021**. The checklist in **Section J** of this questionnaire may help ensure your submission is complete.

A confidential and non-confidential version of the questionnaire and spreadsheet annexes must be submitted. You can find guidance on how to complete confidential and non-confidential versions in our guidance on [how to submit information](#).



## Declaration

By signing this declaration, you agree that all information supplied in this questionnaire is complete and correct to the best of your knowledge and understand that the information submitted may be subject to verification by TRID.

Company name: **Electric Glass Fiber UK Ltd**

Please remember to redact signatures in your non-confidential version

**28 May 2021**

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Date

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Signature of authorised official

Please remember to redact names and titles in your non-confidential version

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Name and title of authorised official



## SECTION J: 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	✓
Section B – About your goods	✓
Section C – Costs and production	✓
Section D – Sales	✓
Section E – Injury to your company	✓
Section F – Dumping	✓
Section G – Subsidies	✓
Section H – Economic Interest Test	✓
Section I – Next steps and declaration	✓

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