



Trade Remedies
Authority

Final Recommendation

Case TS0023

Transition Review of countervailing measures applying to certain Stainless Steel Bars and Rods
originating in the Republic of India

23 February 2023

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SECTION A: Introduction

1. This section briefly summarises the legal framework for this Final Recommendation and the Trade Remedies Authority (TRA)'s main findings. The background to the review (see also [Section C: Background](#)) and further detail on all aspects are explained more fully in the remaining sections.

A1. Legal framework

2. This Final Recommendation is made pursuant to regulations 100(1), 100(2)(a)(ii) and 100B of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019¹ ('the Regulations'). It should be read in conjunction with other public documents available for this case on the [public file](#). For further guidance and information regarding transition reviews please see our [public guidance](#).

A2. About this review

3. This is a transition review of a United Kingdom (UK) trade remedies measure under regulation 97(2)(b) of the Regulations. This UK measure, as set out in Taxation Notice 2020/16², gives effect to European Union (EU) Commission Implementing Regulation (EU) 2017/1141 of 27 June 2017³.
4. This review concerns a countervailing duty applying to certain stainless steel bars and rods originating in the Republic of India (India). This review was initiated on 21 June 2022 and the Notice of Initiation⁴ (NOI) was published on that date.

¹ Statutory instrument 2019/450, as amended

² [Taxation notice 2020/16: countervailing duty on certain Stainless steel bars and rods originating in India](#), published 31 December 2020

³ [COMMISSION IMPLEMENTING REGULATION \(EU\) 2017/ 1141 - of 27 June 2017](#) - imposing a definitive countervailing duty on imports of certain stainless steel bars and rods originating in India following an expiry review under Article 18 of Regulation (EU) 2016/ 1037 of the European Parliament and the Council

⁴ [TS0023 Stainless Steel Bars and Rods from India, Notice of initiation](#), Published 21 June 2022



5. The Period of Investigation (POI) for the review is 1 April 2021 to 31 March 2022. In order to assess injury, we determined the Injury Period (IP) as being 1 April 2018 until 31 March 2022.

SECTION B: Summary and Findings

B1. Interested parties and contributors

6. The following interested parties registered to this transition review:
 - EEF Ltd. (UK Steel) (UK Trade Body);
 - British Stainless Steel Association (UK Trade Body);
 - Government of India, Directorate General of Trade Remedies, Trade Defence Wing (ITDW) (Foreign Government);
 - Viraj Profiles Private Limited. (Viraj) (Exporter);
 - Venus Wire Industries PLC (Exporter).
7. Venus Wire Industries PLC did not submit a questionnaire response and were found to be non-cooperative.
8. The following contributors registered to this transition review:
 - Community (UK Trade Union);
 - Aamor Inox Limited.
9. Non-confidential submissions are set out below at section [C4: Information from participants in the review](#).
10. We received one response to the SEF from the ITDW which we have addressed in the appropriate sections (see section [B4: Recalculation and assessment of countervailability](#) and section [G6: Historic injury data](#)). This response and other submissions to the transition review are published and available on the [Public File](#).

B2. Scope

11. Regulation 99A(2)(a)(ii) of the Regulations makes provision for the TRA to consider, within the conduct of a transition review, whether the goods or the description of the goods to which a countervailing amount is applicable should be varied.
12. The NOI⁵ describes the Goods Subject to Review and sets out the scope of the measure under review as:

Stainless steel bars and rods, not further worked than cold-formed or cold-finished, other than bars and rods of circular cross-section of a diameter of 80 mm or more.
13. Six commodity codes define the scope of the measure. The individual code definitions are fully described in [Section D2: Scope](#) and set out at [Annex 2](#).
14. We have not received any application for a review of the description of the goods or the scope of the measure. However, we assessed the scope to ensure that it remained appropriate for the UK-specific context. Having conducted that assessment, we decided not to vary the description of the Goods Subject to Review or the scope of this transition review.

B3. Applicability

15. The transitioned UK countervailing measure applies to all Indian exporters of the Goods Subject to Review, however the rate of duty is not constant across exporters. The residual rate of *ad valorem* duty is 4%. Six Indian exporters were previously provided with an individual rate of duty by the European Commission (the Commission) during its original investigation below the residual rate. Of those six, one exporter received an individual rate of *ad valorem* duty of 3.4%, four exporters received an individual rate of *ad valorem* duty of 3.3%, whilst one exporter received an individual rate of nil. The applicable duty rates are detailed in [Annex 1](#).

⁵ [TS0023 Stainless Steel Bars and Rods from India, Notice of initiation](#), Published 21 June 2022

B4. Recalculation and assessment of countervailability

16. There is no obligation for the TRA to reassess the countervailing amount nor the level of injury (see regulation 99A(2) of the Regulations). During this transition review we received no questionnaire responses from domestic producers. We were not provided with sufficient information to reassess the injury margin. We have therefore considered the likelihood of the importation of subsidised goods and of injury to UK industry continuing or recurring in accordance with the mandate in regulation 99A(1) of the Regulations.
17. In accordance with the relevant legislative requirements, the likelihood of subsidy and injury assessments do not reassess the countervailability of the relevant Indian subsidy schemes. In their response to the SEF, the ITDW submitted that the countervailability of the schemes in question should have been reassessed as part of this transition review. In conducting this transition review, we have conducted a prospective likelihood assessment under regulation 99A(1) of the Regulations, under which we must consider whether the importation of the subsidised goods subject to review would be likely to continue or recur if the countervailing amount were no longer applied to those goods. As part of this likelihood assessment, we are not required to recalculate the countervailing amount or to reassess the countervailability of the underlying subsidies.

B5. Likelihood of subsidy assessment⁶

18. In accordance with regulation 99A(1)(a) of the Regulations we assessed whether the importation of the subsidised Goods Subject to Review would be likely to continue or recur if the measure was no longer applied (the likelihood of subsidy assessment).
19. We determined that it is likely, on the balance of probabilities, that subsidised imports of the Goods Subject to Review would continue if the measure was no longer applied.

⁶ See also [SECTION F: Likelihood of Subsidy Assessment](#)

B6. Likelihood of injury assessment⁷

20. In accordance with regulation 99A(1)(b) of the Regulations, we considered whether injury to the UK industry in the relevant goods would be likely to continue or recur if the measure was no longer applied (the likelihood of injury assessment).
21. We determined that it is not likely, on the balance of probabilities, that injury would recur if the countervailing duty on the Goods Subject to Review were no longer applied.

B7. Economic Interest Test (EIT)⁸

22. We are making a recommendation to revoke the application of the countervailing amount under regulation 100B of the Regulations, and we are not therefore required to conduct an EIT.

B8. Final Recommendation to the Secretary of State

23. In accordance with regulation 100(1) of the Regulations, the TRA must make a recommendation following a transition review to vary or revoke the application of the countervailing amount to the relevant goods.
24. After conducting the subsidy likelihood assessment and the injury likelihood assessment, we consider that in this case, injury is not likely to continue or recur and, as a result, we have not conducted an EIT, as it is not required. We therefore recommend revocation of the application of the countervailing amount to the Goods Subject to Review. In accordance with regulations 100(1), 100(2)(a)(ii) and 100B(2) of the Regulations, we are required to recommend the appropriate date as the date the countervailing amount is revoked. The appropriate date is the day of expiry of the UK measure⁹ and we recommend revocation as from 29 June 2022.

⁷ See also [SECTION G: Likelihood of Injury Assessment](#)

⁸ See also [SECTION H: Economic Interest Test](#)

⁹ Which is 29 June 2022; see regulation 94(1)(b)(ii) and 97C(1)(a) and (2) of the Regulations. See also [Taxation notice 2020/16](#).

SECTION C: Background

C1. Initiation of the transition review

25. The UK chose to maintain certain trade remedy measures once it was outside the EU's common external tariff. The Department for International Trade (DIT) identified which measures were of interest to the UK following a call for evidence.
26. For each of these measures, the Secretary of State for International Trade (the Secretary of State) published a Notice of Determination, under regulation 96(1) of the Regulations, setting out the decision to transition the corresponding EU trade remedies measure, and a Taxation Notice, on replacement of EU trade duty. We conduct transition reviews to determine if these measures should be varied or revoked in the UK.
27. On 31 December 2020 the Secretary of State published a Notice of Determination¹⁰ regarding the countervailing duty on stainless steel bars and rods originating in India. Taxation Notice 2020/16¹¹ gave effect to the transition of the EU countervailing duty on stainless steel bars and rods originating in India to become an additional amount of UK import duty.
28. On 21 June 2022, the TRA published a Notice of Initiation¹² to initiate a transition review of the relevant EU trade remedies measure relating to stainless steel bars and rods originating in India.

C2. Previous measures in place

29. The Commission imposed countervailing duties on imports of stainless steel bars and rods originating in India by Commission Implementing Regulation 2017/1141 of 27 June

¹⁰ [Notice of determination 2020/16: countervailing duty on certain stainless steel bars and rods originating in India](#), published 31 December 2020

¹¹ [Taxation notice 2020/16: countervailing duty on certain stainless steel bars and rods originating in India](#), published 31 December 2020

¹² [TS0023 Stainless Steel Bars and Rods from India, Notice of initiation](#), Published 21 June 2022



2017¹³. This is the transitioned measure that is subject to this transition review. The Commission allowed the EU measure to expire on 29 June 2022 without review¹⁴.

C3. Our transition review process - The transitioned measure

30. The EU measure transitioned into UK law, and set out in the Taxation Notice, took effect as a UK measure on replacement of EU trade duties. Under regulation 97C of the Regulations, this measure will continue until the Secretary of State publishes a notice accepting or rejecting a recommendation following a transition review to vary or revoke the application of the countervailing amount.
31. The transitioned measure applies to stainless steel bars and rods from India. The rate of countervailing duty which applies to the Goods Subject to Review exported by the relevant companies is detailed in [Annex 1](#).

C4. Information from participants in the review

UK producers

32. No UK producers registered to this review.

Indian exporters

33. One Indian exporter, Viraj Profiles Private Limited (Viraj), registered and participated in this transition review. The public file includes the following documents relating to Viraj:
- [Registration of interest](#);
 - [Submission – request for exemption](#),
 - [Questionnaire](#);
 - [Verification report](#).

¹³ [COMMISSION IMPLEMENTING REGULATION \(EU\) 2017/1141 of 27 June 2017](#) imposing a definitive countervailing duty on imports of certain stainless steel bars and rods originating in India following an expiry review under Article 18 of Regulation (EU) 2016/1037 of the European Parliament and the Council

¹⁴ PROCEDURES RELATING TO THE IMPLEMENTATION OF THE COMMON COMMERCIAL POLICY
EUROPEAN COMMISSION [Notice of the expiry of certain anti-subsidy measures \(2022/C 245/12\)](#)

Importers

34. No importers engaged with this review.

Foreign governments

35. The Government of India, Directorate General of Trade Remedies, Trade Defence Wing (ITDW) registered and participated in this transition review. The public file includes the following documents relating to the ITDW:

- [Registration of interest](#);
- [Questionnaire](#);
- [SEF response](#).

Trade Bodies

36. Two UK trade bodies registered to this transition review, EEF Limited (UK Steel) and the British Stainless Steel Association (BSSA). The public file includes the following documents relating to trade bodies:

- [UK Steel Registration of interest](#);
- [UK Steel Questionnaire](#);
- [BSSA Registration of interest](#).

37. Other interested parties and contributors registered their interest in the review and submitted registrations of interest:

- [Community Trade Union](#);
- [Venus Wire Industries](#);
- [Aamor Inox Limited](#).

38. The information received is available on the [Public File](#), along with the Statement of Essential Facts (SEF), that we published on 22 December 2022¹⁵. The only response that we received to this SEF was from the ITDW¹⁶.

C5. Viraj request for exemption

39. Viraj made a submission to the transition review, titled “Request for exemption from anti-subsidy transition review TS0023”, submitted in August 2022¹⁷, requesting:

- Termination of the transition review in respect of Viraj;
- exclusion of Viraj from the transition review TS0023;
- alternatively, that the TRA recommends to the Secretary of State for International Trade revocation of the application of any countervailing duty amount, or variation of any such amount in respect of Viraj to maintain the current level of 0%.

40. In response to the request for termination of this transition review, we are under a legal obligation¹⁸ to review every EU trade remedies measure specified in a determination notice¹⁹. A determination notice (No. 2020/16) was published by the Secretary of State on 31 December 2020. As this transition review was initiated after replacement of EU trade duty (as defined under regulation 94(1) of the Regulations), this is a transition review of a UK trade remedies measure under regulation 97(2)(b) of the Regulations.

41. Regulation 97B of the Regulations deals with termination of transition reviews of EU trade remedies measures but does not make provision for the termination of transition reviews of UK trade remedies measures. Additionally, under regulation 100(1) of the Regulations, the TRA must make a recommendation to the Secretary of State following a transition review to vary or revoke the application of the anti-dumping amount or the countervailing amount.

¹⁵ [TS0023 Stainless Steel Bars and rods from India, Statement of Essential Facts](#), published 22 December 2022

¹⁶ [TS0023, Stainless Steel Bars and Rods from India](#), ITDW SEF response

¹⁷ [TS0023 Stainless Steel Bars and Rods from India, Viraj's submission for exemption \(exemption request\)](#), published 18 August 2022

¹⁸ See regulation 97 of the Regulations

¹⁹ See regulation 96 of the Regulations

There are therefore no legal powers under the Regulations for the TRA to terminate a transition review of a UK trade remedies measure.

42. In terms of the second request made by Viraj to be excluded from the transition review, there are no provisions in the Regulations to exclude individual parties from transition reviews. Furthermore, the World Trade Organisation (WTO) law and Dispute Settlement Body (DSB) reports cited by Viraj in their request for their exclusion from the review process are not directly applicable to Viraj in this transition review, based on its specific circumstances. Viraj did receive an individual countervailing duty in the EC's original investigation²⁰, which was subsequently reduced to 0% on review²¹. We note that the WTO DSB indicated that the exclusion from further reviews is applicable to those companies for which, during the original investigation, it was determined that they had not received subsidies, or were within *de minimis* amounts²². Under the Regulations, *de minimis* thresholds do not apply to transition reviews in accordance with regulation 99C of the Regulations.
43. Finally, Viraj requested that we recommend a 0% duty, at least in respect to them, due to a lack of involvement by domestic industry. However, as explained at paragraph 46 of the SEF, in a transition review there are statutory requirements that must be met prior to making any recommendation to the Secretary of State for International Trade, including an assessment of the likelihood of continuance or recurrence of subsidised imports and of injury under regulation 99A of the Regulations. Therefore, we could not pre-empt what the final recommendation was going to be at the time the request was made without completing these likelihood assessments and reaching our conclusions first.

²⁰ [COUNCIL IMPLEMENTING REGULATION \(EU\) No 405/2011 of 19 April 2011](#) imposing a definitive countervailing duty and collecting definitively the provisional duty imposed on imports of certain stainless steel bars and rods originating in India

²¹ [COUNCIL IMPLEMENTING REGULATION \(EU\) No 721/2013 of 22 July 2013](#) amending Implementing Regulation (EU) No 405/2011 imposing a definitive countervailing duty and collecting definitively the provisional duty imposed on imports of certain stainless steel bars and rods originating in India

²² See paragraphs 305-306 of the Appellate Body report in *Mexico — Definitive Anti-Dumping Measures on Beef and Rice* (DS295).

C6. How we have used submitted data

44. Throughout this transition review, we have used submitted data as part of our evidence base upon which we have made our assessments and formed our conclusions. We have compared submitted evidence against the totality of relevant information and data available to us – whether this is evidence submitted by other interested parties; information and data taken from TRA data subscriptions or publicly available data from governmental, industry and other sources.
45. We have also used submitted data to corroborate or gain a level of assurance as to that data itself, or as to other evidence submitted to us or information gathered by us.

C7. Verification of data

46. All verification activity took place remotely via email.
47. Submissions by the one cooperating Indian exporter, Viraj, were checked for consistency and completeness. During these checks, no deficiencies were identified. One minor correction was applied to Viraj's submitted information. This made no difference to the non-confidential summary of that information. Further detail of the verification process can be found in the verification report for Viraj, available on the public file²³.
48. Following verification activity undertaken, we have a reasonable level of assurance that Viraj's data is verifiable and can be treated as complete and relevant for the purpose of this review.
49. We have also had regard to information supplied by the other interested parties (where such information was verifiable). Secondary source information was used in accordance with regulation 47 of the Regulations. Pursuant to regulation 47(5) of the Regulations, this secondary information was treated with special circumspection and, where practicable, verified using independent sources. This included, but was not limited to, official import

²³ [TS0023 Stainless Steel Bars and Rods from India, Viraj verification report](#), published 2 December 2022



statistics and data pertaining to relevant markets. Where data has not been found to be verifiable, we have highlighted these areas and drawn conclusions where possible.

SECTION D: The Goods Subject to Review and Like Goods

The goods

D1. Description of the goods

50. 'Goods Subject to Review' are defined in Regulation 2 of the Regulations as "the goods described in the notice of initiation of a review under paragraph 1 of Schedule 3."

51. The Goods Subject to Review in this transition review are defined in the NOI as:

Stainless steel bars and rods, not further worked than cold-formed or cold-finished, other than bars and rods of circular cross-section of a diameter of 80 mm or more.

D2. Scope

52. Six commodity codes are covered by the measure. These are:

- 72 22 20 21;
- 72 22 20 29;
- 72 22 20 31;
- 72 22 20 39;
- 72 22 20 81;
- 72 22 20 89.

[Annex 2](#) provides the full definitions for the above commodity codes.

D3. Consideration of review of description or scope

53. Regulation 99A(2)(a)(ii) of the Regulations makes provision for the TRA to consider, within the conduct of a transition review, whether the goods or the description of the goods to which a countervailing amount applies should be varied.



54. No domestic producers registered an interest in the investigation. We therefore compared domestically produced goods to the Goods Subject to Review using publicly available information, such as import statistics, published sales brochures or product listings. The Goods Subject to Review, and the like goods produced in the UK, share common characteristics, such as steel type, dimension and shape. The Goods Subject to Review are also imported to the UK under the same commodity codes that UK industry use to export. This satisfied us that the domestically produced goods, compared in this review against the Goods Subject to Review, are like goods.
55. Furthermore, we did not receive any application for a review of description of the goods, nor the scope of the measure. Following our assessment, we took the decision not to vary the scope of this transition review. Accordingly, the description of the goods remains unaltered from that detailed in the NOI.

D4. Product specific antecedents

56. This section addresses data and nomenclature considerations specific to the Goods Subject to Review.
57. In this review, the Goods Subject to Review are defined by reference to commodity codes at eight-digit level. The commodity codes provided in the NOI are the UK commodity codes that are relevant to the Goods Subject to Review. However, the Indian commodity codes at eight-digit level differ from the UK ones. [Annex 3](#) sets out the Indian commodity codes that we have identified as relevant to the Goods Subject to Review.
58. For clarity, throughout this Final Recommendation, when we reference commodity codes, we are referring to UK commodity codes at eight-digit level.

D5. Application of the measure to the Goods Subject to Review

59. The transitioned measure applies, in terms of *ad valorem* duty, equally to all Indian exporters of the Goods Subject to Review, with the exception of:
- Viraj (0%);



- Chandan Steel Ltd (3.4%);
- Hindustan Inox Ltd (3.3%);
- Precision Metals (3.3%);
- Sieves Manufacturer India Pvt. Ltd. (3.3%);
- Venus Wire Industries Pvt. Ltd. (3.3%).

These companies received individual rates as determined by the Commission during its original investigation and subsequent reviews. Other listed exporters received individual rates which align to the residual rate of 4%, as detailed at [Annex 1](#).

SECTION E: The UK Industry and Market

E1. The UK industry

60. We did not receive cooperation from UK industry. We therefore had to base our assessment of UK industry on secondary source information, which we treated with special circumspection and verified where practicable in accordance with regulation 47(5) of the Regulations.
61. We established that there are currently two UK producers of the Goods Subject to Review. These are Kiveton Park Steel²⁴ and Outokumpu²⁵. UK Steel submitted that Liberty Steel also produce like goods²⁶.

E2. The UK market

62. There are several importers or users of stainless bars and rods in the UK. However, we did not receive any registrations of interest from either importers or users, and so are unable to comment on their position in relation to this transition review. Open source information indicates that Outokumpu have recently sold their Sheffield works, which includes the production of like goods²⁷.
63. The end use of, and UK market for, stainless steel bars and rods is manufacturing. Stainless steel bars and rods can either be used as a specific component in a larger product, for example as a propellor shaft, or they can be further worked into other stainless steel products, for example precision components. UK Steel stated that domestic producers have “very limited amounts sold into the UK market”²⁸, suggesting that domestic producers are

²⁴ [Kiveton Park Steel \(kpsteel.com\)](https://www.kpsteel.com/), accessed 9 December 2022

²⁵ [Sheffield Stainless Rod and Bar | Outokumpu](https://www.outokumpu.com/en/Products/Long-Products/Sheffield-Stainless-Rod-and-Bar), accessed 9 December 2022

²⁶ [TS0023 Stainless Steel Bars and Rods from India, UK Steel Questionnaire response](#), published 12 August 2022, section A2, page 7

²⁷ [Outokumpu has completed the divestment of majority of its Long Products business | Outokumpu](#) accessed 31 January 2023

²⁸ [TS0023 Stainless Steel Bars and Rods from India, UK Steel Questionnaire response](#), published 12 August 2022, section A2, page 7

primarily focused on the export market, which is consistent with His Majesty's Revenue and Customs (HMRC) data²⁹.

64. Table 1 sets out the volume and value of UK imports under the relevant commodity codes to this transition review:

Year	2018	2019	2020	2021	2022 (Jan – Sept)
Imports from the rest of the world (metric tonnes)	23,822,171	23,327,224	18,528,095	22,937,240	13,223,290
Imports from India (metric tonnes)	732,745	562,591	437,129	1,297,401	983,975
Indian imports as a percentage of total import volume	3.0%	2.4%	2.3%	5.4%	6.9%
Imports from the rest of the world (£ Value)	71,544,993	72,444,549	55,470,661	73,249,749	66,992,631
Imports from India (£ Value)	1,724,113	1,260,434	910,520	3,131,135	3,226,243
Indian imports as a percentage of total import value	2.4%	1.7%	1.6%	4.1%	4.6%

Table 1: UK Imports of commodity codes 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81, 7222 20 89 from India and the rest of the world. Values on CIF UK basis as recorded by HMRC. Data covers January 2018 – September 2022³⁰.

²⁹ [UK Trade Info, "Find UK Traders" tool, Outokumpu](#). Accessed 9 December 2022

³⁰ [UK Trade Info, Custom table](#), accessed 9 December 2022

65. This data shows that import volumes and values have fluctuated over the IP. Indian imports appear to have slightly gained market share from 2020 onwards compared to imports from other countries, both in terms of volume and value.

E3. Trends

66. Domestic producers of like goods have undergone changes during the IP which are likely to have affected production. Outokumpu's production volumes may be affected by the sale of their UK long products business, which includes UK production of like goods. Additionally, Liberty Steel's production volumes significantly declined during the IP³¹.
67. We have no specific information relating to Kiveton Park Steel, although unaudited, unverified, accounts submitted to Companies House³² over the IP show no significant changes in the size of the balance sheet which could indicate a relatively consistent production volume over the IP. However, in the absence of an income statement provided with the accounts, this cannot be verified. We also do not know how much of Kiveton Park Steel's business relates to like goods, and how much relates to other products.
68. Outokumpu's accounts³³ record income from like goods as part of the long products division. Again, we do not know to what extent these figures relate to like goods or other long products and so are unable to reliably identify or comment on any trends.
69. We have no information regarding UK production volumes, market share or sales prices due to a lack of data.

³¹ [TF006 Transition Safeguarding Review, Liberty Letter to dispute outcome to the UK steel safeguards review – Stainless Bars and Light Sections public](#), published 20 December 2021

³² [KIVETON PARK STEEL LIMITED filing history - \(company-information.service.gov.uk\)](#)

³³ [OUTOKUMPU STAINLESS LIMITED filing history - \(company-information.service.gov.uk\)](#), in November 2022 Outokumpu created a new subsidiary for the long_products division: [OUTOKUMPU LONG PRODUCTS LIMITED filing history - \(company-information.service.gov.uk\)](#)

E4. Consumer preferences

70. We have no information, either received or from secondary sources, relating to consumer preferences.

E5. Changes in technology

71. There has been no information received from interested parties and contributors in relation to changes in technology (to produce the Goods Subject to Review), and no substantive changes in technology identified by us, in relation to the production of the Goods Subject to Review and like goods.

SECTION F: Likelihood of Subsidy Assessment

F1. Introduction

72. We are required under regulation 99A(1)(a) of the Regulations to consider whether importation of the subsidised Goods Subject to Review would be likely to continue or recur if the countervailing amount were no longer applied to those goods (the likelihood of subsidy assessment).
73. Primary data was provided by the registrations and questionnaire responses, in particular the questionnaire responses of ITDW, Viraj and UK Steel. Information obtained from secondary sources was used in accordance with the regulation 47(5) of the Regulations where primary data was not available.
74. We conducted this assessment to inform our recommendation as to whether the measure should be varied or revoked. The assessment of the likelihood of subsidy was concluded on the balance of probabilities.
75. This assessment applies to Viraj, and on a countrywide basis to all other Indian exporters. This is because the limited data available to us means that the Viraj and Indian Government submissions also form the basis for the “facts available” relating to other Indian producers.

F2. Continued subsidised imports

76. During the POI, there were imports of the Goods Subject to Review into the UK (see [Table 1](#)). Viraj confirmed in their questionnaire response that they are receiving payments under the Duty Drawback Scheme (DDS), which is one of the schemes countervailed by the initial Commission measures, and that these payments are conferring benefit to the Goods Subject to Review exported to the UK. These payments were confirmed by the ITDW. Viraj’s 0% duty as assessed by the Commission was on the basis that Viraj are receiving benefit below de minimis margins – however for the purposes of a subsidy likelihood assessment we do not recalculate the degree of subsidisation, only whether it is likely to continue or recur if the measure is revoked.

77. In relation to this factor, we have therefore concluded that there are continued subsidised imports of the Goods Subject to Review to the UK, and that this increases the likelihood of subsidised imports continuing if the measure were no longer applied.

F3. Subsidy programmes in the exporting country

78. To understand the relevant subsidy programmes in India, we have determined whether the countervailable subsidies identified during the original investigation continue to be in place, and whether overseas exporters of the Goods Subject to Review are likely to be in receipt of these.

79. Table 2 sets out the relevant subsidy programmes in the exporting country:

Subsidy name	EC findings ³⁴	Viraj ³⁵	ITDW ³⁶
Advance Authorisation Scheme (AAS)	Countervailed	Not received	In operation
Duty Drawback Scheme (DDS)	Countervailed	Received - benefit conferred	In operation
Duty Entitlement Passbook Scheme (DEPBS)	Discontinued	Not operational	Discontinued
Duty Free Import Authorisation (DFIA)	Not received	Not operational	In operation
Exemption of Export Credit from Interest Taxes	Discontinued	Not operational	Deregulated
Export Credit Scheme (ECS)	Negligible impact	Replaced by Interest Equivalisation Scheme	Deregulated

³⁴ [Trade defence investigations, History of Proceeding, Stainless Steel Bars \(certain\) from India \(europa.eu\)](#)

³⁵ [TS0023 Stainless Steel Bars and Rods from India, Viraj Questionnaire response](#), published 4 October 2022

³⁶ [TS0023 Stainless Steel Bars and Rods from India, ITDW Questionnaire response](#), published 30 September 2022



Export Promotion Capital Goods Scheme (EPCGS)	Negligible impact	In operation – no benefit	In operation
Loan Guarantees and direct transfers of funds from the Government of India	Not received	Not received	No comment
Merchandise Exports from India Scheme (MEIS)	Countervailed	Replaced by RoDTEP	Discontinued, not applicable to Goods Subject to Review
Package Scheme of Incentives (PSI)	Not received	In operation – no benefit	In operation (regional)
Regional Subsidies	Not received	In operation – no benefit	No comment – included in PSI above
Provision of chromium ore for less than adequate remuneration (UK Steel allegation)	N/A	No comment	One state owned company operating, approx. 25% market share.

Table 2: Subsidy programme questionnaire responses

80. The submissions received indicate that there are two schemes still in operation which the Commission found to be countervailable, the AAS and the DDS. This is also in accordance with our understanding, based on additional research.
81. Viraj, the one exporter to cooperate with the transition review, do not receive AAS, so we were unable to examine this scheme in relation to the Goods Subject to Review. However, we were able to confirm that the DDS continues to operate and confer a benefit to UK exports of the Goods Subject to Review. We verified this with reference to the primary data

submitted by Viraj and the ITDW, as well as by accessing secondary data indicating the continued operation of the scheme. The continuation of subsidy programmes in India increases the likelihood of subsidy continuing to benefit goods exported to the UK if the measure were no longer applied.

F4. Exports to third countries

82. Viraj are an exporting company. In their registration, Viraj state that they are

“one of the largest manufacturers and exporters of stainless steel long products across the globe... exporting... to more than 1300 customers based across 96 countries spread in 6 continents.”³⁷

This statement is supported by Viraj’s verifiable questionnaire response³⁸.

83. The ITDW, in their questionnaire response³⁹, submitted that a new export VAT of 15% was introduced in May 2022 and is applicable to the Goods Subject to Review, with no set period or end date.

84. Both the registration responses and the facts available indicate that there are exports of like goods to third countries. The recently introduced export VAT may have an impact on exports to third countries and may go some way to reducing the likelihood of subsidised imports recurring were the measure to no longer apply, particularly as the export VAT is 15% and the current maximum countervailable amount in this case is 4%. However, we do not know how long this export VAT will be in place for, it is not designed to prevent the export of subsidised goods to the UK⁴⁰ and it could be rescinded at any time. This factor, therefore,

³⁷ [TS0023 Stainless Steel Bars and Rods from India, Viraj Registration of Interest](#), published 20 July 2022

³⁸ [TS0023 Stainless Steel Bars and Rods from India, Viraj Questionnaire response](#), published 4 October 2022

³⁹ [TS0023 Stainless Steel Bars and Rods from India, ITDW Questionnaire response](#), published 30 September 2022

⁴⁰ [TS0023 Stainless Steel Bars and Rods from India, ITDW Questionnaire response](#), published 30 September 2022, page 14

does not increase or decrease the likelihood of subsidised imports continuing if the measure were no longer applied.

F5. Attractiveness of the UK market

85. Viraj are clear in their questionnaire responses that the UK market is attractive to them, and would remain so were the measures to no longer apply. The ITDW make no comment on the attractiveness of the UK market, although they do discuss the aim of the Indian government to increase domestic supply of like goods (in context of the export VAT as discussed above). Whilst in the short term this 15% export VAT may reduce the attractiveness of the UK market, as discussed above we cannot rely on it doing so in the medium or long term.
86. HMRC records indicate that imports to the UK from India, of the Goods Subject to Review, have continued, and more recently increased, whilst the countervailing measure is in place (see [Section E2: The UK Market](#)).
87. Both the questionnaire responses and the available facts indicate that the UK market is attractive to exporters of the Goods Subject to Review. This increases the likelihood of subsidised imports continuing if the measure were no longer applied.

F6. Previous circumvention

88. We looked for evidence of previous circumvention by searching for relevant reviews from other authorities, directly asking both domestic and Indian interested parties, and by examining trade data. We did not find or receive positive evidence of circumvention by Indian exporters. Therefore, this factor does not increase the likelihood of subsidised imports to the UK of the Goods Subject to Review continuing if the measure were no longer applied.

F7. Conclusion

89. The continuation of subsidised imports of the Goods Subject to Review is strong and relevant evidence that subsidised imports are likely to continue were the measure no longer to apply. The only Indian producer to cooperate makes significant sales to export markets,



and the UK market is an attractive one, again increasing the likelihood of subsidised imports continuing were the measure no longer to apply. There is no evidence of circumvention, and this factor has no impact on this likelihood assessment. We therefore conclude that subsidised imports are likely to continue if the measure were no longer applied.

SECTION G: Likelihood of Injury Assessment

G1. Introduction

90. We are required under regulation 99A(1)(b) of the Regulations to consider whether injury to a UK industry in the relevant goods would be likely to continue or recur if the countervailing amount were no longer applied to those goods (the likelihood of Injury Assessment).
91. Primary data was provided by the registrations and questionnaire responses, in particular the questionnaire responses of ITDW, Viraj and UK Steel. Information obtained from secondary sources was used in accordance with regulation 47(5) of the Regulations where primary data was not available.
92. We conducted this assessment to inform our recommendation as to whether the measure should be varied or revoked. The assessment of the likelihood of injury was concluded on the balance of probabilities.
93. This assessment considers the likelihood of injury to UK industry from subsidised imports, both from Viraj and from all other Indian exporters. This is because the limited data available to us means that the Viraj and Indian Government submissions also form the basis for the “facts available” relating to other Indian producers.

G2. The current state of the UK industry

94. In the absence of participation from domestic producers and with limited facts available, we have been unable to directly determine any effects on factors such as sales, profit, output, market share, productivity, investment, capacity utilisation, cash flow, inventories, employment, ability to raise capital, wages and growth.
95. UK Steel, a trade body for UK steel producers, state in their questionnaire response that there is:

“[...] minimal supply to the UK market of stainless bars and rods by UK producers and therefore very low risk of injury resulting from the removal of the measure. This position is



supported by both the UK producers of the product[...] There is limited supply to the UK market of stainless bars and rods by UK producers and therefore very low risk of injury [...] We assess there to be low risk of injury to UK producers and therefore anticipate no negative economic effect from a UK producer perspective [...]"⁴¹

96. Due to the lack of cooperation from domestic producers, we have been unable to assess the relevant economic factors to draw a conclusion on the overall state of UK Industry. However, the statement from UK Steel leads us to conclude that the current state of UK industry is one in which there is a reduced likelihood of injury occurring.
97. We have therefore concluded that the current state of UK industry reduces the likelihood of injury recurring if the measure were no longer applied.

G3. Other causes of injury

98. Without cooperation from domestic producers and with limited facts available we cannot establish with sufficient certainty whether there have or have not been other causes of injury to UK industry. Liberty Steel, who produced like goods during the IP, have experienced significantly reduced production volumes during this time⁴², which could indicate injury. However, due to a lack of participation we are unable to conclude on the cause of any such injury. This factor therefore has no impact on the likelihood of injury recurring if the measure were no longer applied.

G4. Undercutting / underselling analysis

99. Viraj have submitted that they expect to be able to provide the Goods Subject to Review at better prices than EU producers:

⁴¹ [TS0023 Stainless Steel Bars and Rods from India, UK Steel Questionnaire response](#), published 12 August 2022, page 6

⁴² [TF006 Transition Safeguarding Review, Liberty Letter to dispute outcome to the UK steel safeguards review – Stainless Bars and Light Sections public](#), published 20 December 2021



“Yes, the UK market has potential for Indian exporters, after Brexit. The EU has been catering 92-93% of the UK consumption, and India has increased in 2021 when compared to 2020 from 2.3% to 5% UK total import share. This proves that Indian exporters, even without subsidies, would be providing quality product at better prices than those applicable in the EU after Brexit.”⁴³

100. We note that these comments regarding undercutting are in relation to imported like goods from the EU, rather than UK produced like goods.
101. We did not find, nor has been submitted, any evidence of either current or potential future undercutting or underselling of UK produced like goods. We were unable to establish, with sufficient reliability, the sales prices of UK like goods, to compare current or prospective prices. We have concluded that we are unable to fully consider this factor with sufficient certainty, therefore this factor has no impact on the likelihood of injury continuing or recurring if the measure were no longer applied.

G5. Domestic and international market conditions

102. We have not found any domestic or international market conditions that either increase or reduce the likelihood of injury. We considered UK manufacturers' exposure to conditions of the domestic and international market, as well as the general trends in the steel manufacturing industry and the specific trends in global trade of stainless-steel bars and rods. We concluded that this factor has no impact on the likelihood of injury recurring if the measure were no longer applied.

⁴³ [TS0023 Stainless Steel Bars and Rods from India, Viraj Questionnaire response](#), published 4 October 2022, page 19

G6. Historic injury data

103. The EU investigations in 2011⁴⁴ and 2017⁴⁵ found that injury was occurring to EU producers, particularly in relation to consumption, market share, production volumes and undercutting. At this time, UK producers were part of the EU domestic industry, and so we consider it likely that UK producers also suffered injury.

104. The ITDW, in their response to the SEF, state that these findings may not be a true and exact reflection of the situation of the UK domestic industry⁴⁶. Due to the lack of domestic participation, we were unable to examine specific data for UK domestic industry or verify historic injury. We consider that, in this case, historic injury information as an injury likelihood factor has no impact on the likelihood of injury continuing or recurring if the measure were no longer applied.

G7. Conclusion

105. The most relevant, and persuasive, evidence that we have available in relation to the likelihood of injury is UK Steel's statement on behalf of domestic producers, that injury is not likely to occur if the measures were no longer applied. As a result of this, we consider that the "other causes of injury" and "undercutting/underselling" factors have little probative value.

106. "Domestic and international market conditions" and "historic injury data" similarly have a negligible effect on the likelihood of injury assessment, as neither are likely to increase the risk of injury from Goods Subject to Review from India were the measure to no longer apply.

107. A proportionate approach was taken towards the use of facts available, given the lack of engagement from UK domestic industry. We concluded that there was an absence of

⁴⁴ [COUNCIL IMPLEMENTING REGULATION \(EU\) No 405/2011 of 19 April 2011](#) imposing a definitive countervailing duty and collecting definitively the provisional duty imposed on imports of certain stainless steel bars and rods originating in India

⁴⁵ [COMMISSION IMPLEMENTING REGULATION \(EU\) 2017/1141 of 27 June 2017](#) imposing a definitive countervailing duty on imports of certain stainless steel bars and rods originating in India following an expiry review under Article 18 of Regulation (EU) 2016/1037 of the European Parliament and the Council

⁴⁶ [TS0023, Stainless Steel Bars and Rods from India](#), ITDW SEF response, page 3

positive evidence to suggest that injury was likely to recur if the measures were to no longer apply.

108. We therefore conclude that injury is not likely to recur, if the measure were no longer applied.

SECTION H: Economic Interest Test

109. We are making a recommendation to revoke the application of the countervailing amount under regulation 100B of the Regulations, and we are not therefore required to conduct an EIT.



SECTION I: Findings and Final Recommendation

I.1 Findings

110. We have established that:

- It is likely, on the balance of probabilities, that subsidised imports of the Goods Subject to Review would continue if the countervailing measure were no longer applied, and
- It is not likely, on the balance of probabilities, that injury to UK industry would recur if the countervailing amount were no longer applied.

I.2 Final Recommendation

111. We recommend revocation of the application of the countervailing amount to the Goods Subject to Review under regulations 100(1), 100(2)(a)(ii) and 100B of the Regulations. We recommend 29 June 2022 as the date to revoke the countervailing duty on all goods within the scope of the measure.



Annex 1: Duty rates for Goods Subject to Review⁴⁷

Exporter	Countervailing duty rate (<i>ad valorem</i>)	Additional code ⁴⁸
Viraj Profiles Limited, Palghar, Maharashtra and Mumbai, Maharashtra	Nil	B004
Venus Wire Industries Pvt. Ltd, Mumbai	3.3%	B003
Sieves Manufacturer India Pvt. Ltd, Mumbai	3.3%	B003
Precision Metals, Mumbai	3.3%	B003
Hindustan Inox Ltd, Mumbai	3.3%	B003
Chandan Steel Ltd, Mumbai	3.4%	B002
Ambica Steel Ltd	4.0%	B005
Bhansali Bright Bars Pvt. Ltd	4.0%	B005
Chase Bright Steel Ltd	4.0%	B005
D. H. Exports Pvt. Ltd	4.0%	B005
Factor Steels Ltd	4.0%	B005
Global Smelters Ltd	4.0%	B005
Indian Steel Works Ltd	4.0%	B005
Jyoti Steel Industries Ltd	4.0%	B005
Laxcon Steels Ltd	4.0%	B005

⁴⁷ [Taxation notice 2020/16: countervailing duty on certain stainless steel bars and rods originating in India](#), published 31 December 2020

⁴⁸ From 1 January 2021, the UK initiated a new tariff regime entitled the [UK Global Tariff](#) (UKGT) to replace EU TARIC codes. The codes listed relate to the transitioned measure.



Meltroll Engineering Pvt. Ltd	4.0%	B005
Mukand Ltd	4.0%	B005
Nevatia Steel & Alloys Pvt. Ltd	4.0%	B005
Panchmahal Steel Ltd	4.0%	B005
Raajratna Metal Industries Ltd	4.0%	B005
Rimjhim Ispat Ltd	4.0%	B005
Sindia Steels Ltd	4.0%	B005
SKM Steels Ltd	4.0%	B005
Parekh Bright Bars Pvt. Ltd	4.0%	B005
Shah Alloys Ltd	4.0%	B005
All other overseas exporters (residual amount)	4.0%	B999



Annex 2: UK Commodity Codes⁴⁹

Code	Descriptor (first four digits)	Descriptor (digits five and six)	Descriptor (digits seven and eight if applicable)
7222 20 21	Bars and rods, not further worked than cold-formed or cold-finished	Of a circular cross-section	Of a diameter of 25 mm or more, but less than 80 mm, containing by weight 2.5% or more of nickel
7222 20 29	Bars and rods, not further worked than cold-formed or cold-finished	Of a circular cross-section	Of a diameter of 25 mm or more, but less than 80 mm, containing by weight less than 2.5% of nickel
7222 20 31	Bars and rods, not further worked than cold-formed or cold-finished	Of a circular cross-section	Of a diameter of less than 25 mm, containing by weight 2.5% or more of nickel
7222 20 39	Bars and rods, not further worked than cold-formed or cold-finished	Of a circular cross-section	Of a diameter of less than 25 mm, containing by weight less than 2.5% of nickel
7222 20 81	Bars and rods, not further worked than cold-formed or cold-finished	Other, containing by weight	2.5% or more of nickel
7222 20 89	Bars and rods, not further worked than cold-formed or cold-finished	Other, containing by weight	Less than 2.5% nickel

⁴⁹ [Other bars and rods of stainless steel; angles, shapes and sections of stainless steel - UK Integrated Online Tariff - GOV.UK \(trade-tariff.service.gov.uk\)](#), Heading 7222



Annex 3: Indian Commodity Codes⁵⁰

Code	Descriptor (first four digits)	Descriptor (digits five and six)	Descriptor (digits seven and eight if applicable)
7222 20 11	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel.	Bars and rods, not further worked than cold-formed or cold-finished	Bright bars: Chromium type
7222 20 12	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel.	Bars and rods, not further worked than cold-formed or cold-finished	Bright bars: Nickel chromium austenitic type
7222 20 19	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel.	Bars and rods, not further worked than cold-formed or cold-finished	Bright bars: Other
7222 20 91	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel.	Bars and rods, not further worked than cold-formed or cold-finished	Bright bars: Chromium type
7222 20 92	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel.	Bars and rods, not further worked than cold-formed or cold-finished	Bright bars: Nickel chromium austenitic type
7222 20 99	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel.	Bars and rods, not further worked than cold-formed or cold-finished	Bright bars: Other

⁵⁰ [Indian Trade Portal](#), accessed 9 December 2022



ex 7222 30 11	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel.	Other bars and rods	Bright bars: Chromium type
ex 7222 30 12	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel.	Other bars and rods	Bright bars: Nickel chromium austenitic type
ex 7222 30 19	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel.	Other bars and rods	Bright bars: Other