



Statement of Essential Facts

Case TS0023

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

20 December 2022

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SECTION A: Introduction

1. This section briefly summarises the legal framework for this Statement of Essential Facts (SEF) 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.
2. Pursuant to regulation 62(1) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019¹ ('the Regulations'), this SEF sets out the essential facts on which we will base our recommendation. It should be read in conjunction with other public documents available for this case on the [public file](#).
3. Interested parties are invited to make submissions within 33 calendar days of the publication date of this SEF, *i.e.* before 23:59 hours Greenwich Mean Time on 22 January 2023². We may consider submissions made after this date, but please note that we may not accept information submitted outside the specified time limit where we consider that doing so would significantly impede the progress of the investigation, or that it is not appropriate to accept the information in accordance with the provisions in regulation 48(1) of the Regulations. Where we reject information for any reason, we will publish our reasons in our Final Recommendation.
4. Registered interested parties to the case can make any submissions on the [Trade Remedies Service](#) (TRS) online platform. All submissions must be accompanied by a non-confidential version or summary to be read in conjunction with other public documents available for this case on the [public file](#). In exceptional circumstances it may not be possible to summarise confidential information. If this is the case, you must provide a 'statement of reasons'³. Those

¹ Statutory instrument 2019/450, as amended.

² See regulation 62(2) of the Regulations.

³ A 'statement of reasons' means a statement setting out the reasons of a person supplying information to the TRA, explaining why summarisation of confidential information is not possible, as defined under Regulation 45(6)(b) of the Regulations.

not registered on the TRS may send submissions by email to TS0023@traderemedies.gov.uk.

5. For further guidance and information regarding transition reviews please see our [public guidance](#).

A1. Legal framework

6. This SEF is made pursuant to regulation 62(1) of the Regulations. It includes:
- the recommendation that the TRA intends to make;
 - a summary of the facts considered during the transition review;
 - those facts referred to in the summary which formed the basis of our recommendation;
 - details of the analysis forming the basis of our intended recommendation.

A2. About this review

7. 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 2020/16⁴, gives effect to European Union (EU) Commission Implementing Regulation (EU) 2017/1141 of 27 June 2017⁵.
8. 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 Initiation⁶ (NOI) was published on that date.

⁴ [Taxation notice 2020/16: countervailing duty on certain Stainless steel bars and rods originating in India](#), published 31 December 2020

⁵ [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

⁶ [TS0023 Stainless Steel Bars and Rods from India, Notice of initiation](#), Published 21 June 2022



9. 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

10. 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).

11. Venus Wire Industries PLC did not submit a questionnaire response and were found to be non-cooperative.

12. The following contributors registered to this transition review:

- Community (UK Trade Union);
- Aamor Inox Limited.

13. Non-confidential submissions are set out below at section [C4. Information from participants in the review](#). These submissions are also published and available on the [Public File](#).

B2. Scope

14. 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.

15. The NOI⁷ 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.

16. 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](#).
17. 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

18. 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 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](#).

B4. Recalculation and assessment of countervailability

19. Without questionnaire responses from domestic producers, we did not have access to sufficient data to recalculate injury margins. We are therefore basing our intended final determination of this transition review on likelihood of subsidy and injury assessments in accordance with regulation 99A(1) of the Regulations.

⁷ [TS0023 Stainless Steel Bars and Rods from India, Notice of initiation](#), Published 21 June 2022

20. 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. Our assessment relies upon the original findings of countervailability for the purposes of deciding upon the likelihood of continuance or recurrence of subsidy.

B5. Likelihood of subsidy assessment⁸

21. 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).
22. We determined that it is likely, on the balance of probabilities, that subsidised imports of the Goods Subject to Review would continue or recur if the measure was no longer applied.

B6. Likelihood of injury assessment⁹

23. 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).
24. 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)¹⁰

25. As we are not recommending varying the application of the relevant countervailing duties in accordance with regulation 100(1) of the Regulations, there is no requirement for an EIT to be completed.

⁸ See also [SECTION F: Likelihood of Subsidy Assessment](#)

⁹ See also [SECTION G: Likelihood of Injury Assessment](#)

¹⁰ See also [SECTION H: Economic Interest Test](#)

B8. Intended Recommendation to the Secretary of State

26. 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.
27. In reaching our intended recommendation we considered the current and prospective impact of the countervailing amount. 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 intend to 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 measure¹¹ and we recommend revocation as from 29 June 2022.

¹¹ 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

28. 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.
29. 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.
30. On 31 December 2020 the Secretary of State published a Notice of Determination¹² regarding the countervailing duty on stainless steel bars and rods originating in India, noting the decision to transition the EU countervailing measure so it continued to apply in the UK once the UK ceased to apply the EU's Common External Tariff. Taxation Notice 2020/16¹³ 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.
31. On 21 June 2022, the TRA published a Notice of Initiation¹⁴ to initiate a transition review of the relevant EU trade remedies measure relating to stainless steel bars and rods originating in India.

¹² [Notice of determination 2020/16: countervailing duty on certain stainless steel bars and rods originating in India](#), published 31 December 2020

¹³ [Taxation notice 2020/16: countervailing duty on certain stainless steel bars and rods originating in India](#), published 31 December 2020

¹⁴ [TS0023 Stainless Steel Bars and Rods from India, Notice of initiation](#), Published 21 June 2022

C2. Previous measures in place

32. The European Commission (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 2017¹⁵. 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 review¹⁶.

C3. Our transition review process - The transitioned measure

33. 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.
34. 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

35. No UK producers registered to this review.

¹⁵ [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

¹⁶ PROCEDURES RELATING TO THE IMPLEMENTATION OF THE COMMON COMMERCIAL POLICY EUROPEAN COMMISSION [Notice of the expiry of certain anti-subsidy measures \(2022/C 245/12\)](#)

Indian exporters

36. 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](#).

Importers

37. No importers engaged with this review.

Foreign governments

38. 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](#).

Trade Bodies

39. 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](#).

40. 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](#).

41. The information received is available on the [Public File](#).

C5. Viraj request for exemption

42. 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%.

43. 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. After the determination notice in relation to an EU trade duty is issued, the duty becomes a UK trade remedies measure and the review is carried out under regulation 97(2)(b) of the Regulations. This transition review was initiated after replacement of EU trade duty (as defined under regulation 94(1) of the Regulations), meaning that this transition review is a transition review of a UK trade remedies measure under regulation 97(2)(b) of the Regulations.

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

44. Regulation 97B ('Termination of transition review') 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 ('Recommendation following transition review'), 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. There are therefore no legal powers under the Regulations for the TRA to terminate a transition review of a UK trade remedies measure.
45. 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 only applicable to those companies for which, during the original investigation, it was determined that they had not received subsidies, or were within *de minimis* amounts; *de minimis* thresholds do not apply to transition reviews by virtue of regulation 99C of the Regulations.
46. 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, 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

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

recurrence of subsidised imports and of injury under regulation 99A of the Regulations. Therefore, we cannot pre-empt what the intended recommendation is going to be without completing these likelihood assessments and reaching our conclusions first.

C6. How we have used submitted data

47. 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 evidence available to us – whether this is evidence submitted by other interested parties; evidence taken from TRA data subscriptions or publicly available data from governmental, industry and other sources.
48. We have also used submitted data to corroborate or gain a level of assurance as to that data itself, or other evidence either submitted to us or gathered by us.

C7. Verification of data

49. All verification activity took place remotely via email.
50. 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 file²².
51. 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.

²² [TS0023 Stainless Steel Bars and Rods from India, Viraj verification report](#), published 2 December 2022



52. 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 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

53. ‘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.”

54. 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

55. 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

56. 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.



57. 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.
58. 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

59. This section addresses data and nomenclature considerations specific to the Goods Subject to Review.
60. 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.
61. For clarity, throughout this SEF, 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

62. 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 European 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

63. As mentioned previously, 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.
64. We established that there are currently two UK producers of the Goods Subject to Review. These are Kiveton Park Steel²³ and Outokumpu²⁴. UK Steel submitted that Liberty Steel also produce like goods²⁵.

E2. The UK market

65. 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 are in the process of selling their Sheffield works, which includes the production of like goods²⁶.
66. 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”²⁷, suggesting that domestic producers are primarily focused on the export market, which is consistent with HMRC data²⁸.

²³ [Kiveton Park Steel \(kpsteel.com\)](https://www.kpsteel.com/), accessed 9 December 2022

²⁴ [Sheffield Stainless Rod and Bar | Outokumpu](https://www.outokumpu.com/), accessed 9 December 2022

²⁵ [TS0023 Stainless Steel Bars and Rods from India, UK Steel Questionnaire response](#), published 12 August 2022, section A2, page 7

²⁶ [Outokumpu divests the majority of its Long Products business | Outokumpu](#), accessed 9 December 2022

²⁷ [TS0023 Stainless Steel Bars and Rods from India, UK Steel Questionnaire response](#), published 12 August 2022, section A2, page 7

²⁸ [UK Trade Info, “Find UK Traders” tool, Outokumpu](#). Accessed 9 December 2022

67. 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 2022²⁹.

²⁹ [UK Trade Info, Custom table](#), accessed 9 December 2022

68. 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

69. 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 IP³⁰.
70. We have no specific information relating to Kiveton Park Steel, although unaudited, unverified, accounts submitted to Companies House³¹ 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.
71. Outokumpu's accounts³² 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.
72. We have no information regarding UK production volumes, market share or sales prices due to a lack of data.

³⁰ [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

³¹ [KIVETON PARK STEEL LIMITED filing history - \(company-information.service.gov.uk\)](#)

³² [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

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

E5. Changes in technology

74. 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

75. 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).
76. 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.
77. We conducted this assessment to inform our determination as to whether the measure should be varied or revoked. The assessment of the likelihood of subsidy was concluded on the balance of probabilities.
78. 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

79. 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 EC 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 EC 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.

80. 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

81. 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.
82. Table 2 sets out the relevant subsidy programmes in the exporting country:

Subsidy name	EC findings ³³	Viraj ³⁴	ITDW ³⁵
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

³³ [Trade defence investigations, History of Proceeding, Stainless Steel Bars \(certain\) from India \(europa.eu\)](#)

³⁴ [TS0023 Stainless Steel Bars and Rods from India, Viraj Questionnaire response](#), published 4 October 2022

³⁵ [TS0023 Stainless Steel Bars and Rods from India, ITDW Questionnaire response](#), published 30 September 2022



Export Credit Scheme (ECS)	Negligible impact	Replaced by Interest Equivalisation Scheme	Deregulated
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

83. The submissions received indicate that there are two countervailable schemes that are still in operation, the AAS and the DDS. This is also in accordance with our understanding, based on additional research.



84. 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

85. 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.”³⁶

This statement is supported by Viraj’s verifiable questionnaire response³⁷.

86. The ITDW, in their questionnaire response³⁸, 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.
87. 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

³⁶ [TS0023 Stainless Steel Bars and Rods from India, Viraj Registration of Interest](#), published 20 July 2022

³⁷ [TS0023 Stainless Steel Bars and Rods from India, Viraj Questionnaire response](#), published 4 October 2022

³⁸ [TS0023 Stainless Steel Bars and Rods from India, ITDW Questionnaire response](#), published 30 September 2022

subsidised goods to the UK³⁹ and it could be rescinded at any time. This factor, therefore, does not increase or decrease the likelihood of subsidised imports continuing if the measure were no longer applied.

F5. Attractiveness of the UK market

88. 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.
89. 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 [Table 1](#)).
90. 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

91. 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.

³⁹ [TS0023 Stainless Steel Bars and Rods from India, ITDW Questionnaire response](#), published 30 September 2022, page 14

F7. Conclusion

92. 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

10. 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).
93. 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.
94. We conducted this assessment to inform our determination as to whether the measure should be varied or revoked. The assessment of the likelihood of injury was concluded on the balance of probabilities.
95. 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

96. 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.

97. 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 [...]"*⁴⁰

98. 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.
99. 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

100. 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 time⁴¹, 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.

⁴⁰ [TS0023 Stainless Steel Bars and Rods from India, UK Steel Questionnaire response](#), published 12 August 2022, page 6

⁴¹ [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

G4. Undercutting / underselling analysis

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

“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.”⁴²

102. We note that these comments regarding undercutting are in relation to imported like goods from the EU, rather than UK produced like goods.
103. 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

104. 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.

⁴² [TS0023 Stainless Steel Bars and Rods from India, Viraj Questionnaire response](#), published 4 October 2022, page 19

G6. Historic Injury Data

105. The EU investigations in 2011⁴³ and 2017⁴⁴ found that injury was occurring to EU producers, particularly in relation to consumption, market share, production volumes and undercutting. At the time, UK producers were part of the EU domestic industry, and so it is likely that UK producers also suffered injury at this time.
106. Without the participation of UK industry, it is not possible to verify historic injury. Therefore, 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

107. 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, the "other causes of injury" and "undercutting/underselling" factors have little probative value.
108. "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.
109. 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 positive evidence to suggest that injury was likely to recur if the measures were to no longer apply.
110. We therefore conclude that injury is not likely to recur, if the measure were no longer applied.

⁴³ [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

⁴⁴ [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



SECTION H: Economic Interest Test

111. We have established that there is no likelihood of injury continuing or recurring were the measure to no longer apply, and we are intending to recommend that the countervailing duty in question be revoked. In accordance with regulation 100B of the Regulations, we are not required to conduct an EIT when an intended recommendation to revoke is made.



SECTION I: Findings and Proposed Recommendations

I.1 Findings

112. 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 Intended Recommendation

113. We intend to 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 intend to 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 Review⁴⁵

Exporter	Countervailing duty rate (<i>ad valorem</i>)	Additional code ⁴⁶
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

⁴⁵ [Taxation notice 2020/16: countervailing duty on certain stainless steel bars and rods originating in India](#), published 31 December 2020

⁴⁶ 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 Codes⁴⁷

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

⁴⁷ [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 Codes⁴⁸

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

⁴⁸ [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