



Trade Remedies
Authority

Suspension Recommendation

Case SR0025

**Suspension Investigation of an anti-dumping
measure applying to certain hot-rolled flat products
originating in Ukraine**

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SECTION A: Introduction

1. This is the final recommendation to the Secretary of State, following the TRA's completion of a suspension investigation concerning an anti-dumping measure applying to certain hot-rolled steel products originating in Ukraine. The [Notice of Initiation](#) (NOI) was published on 24 June 2022. The scope of the goods subject to the anti-dumping duty, as detailed in the NOI, is defined below in [section B2](#).
2. This section summarises the legal framework for this suspension recommendation and the Trade Remedies Authority (TRA)'s findings. The background to the investigation and further detail are set out in the body of the report.
3. This final report sets out the reasons for the TRA's determination when making its final recommendation to the Secretary of State. Other documents in relation to this investigation are available on the [public file](#).
4. For further guidance and information regarding suspension investigations, please see our [public guidance](#).

A1 Legal framework

5. The initiation of this suspension investigation was made in accordance with regulation 86(2) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (as amended) (the Regulations). The TRA determined that the following conditions were met:
 - there was a change in the market conditions;
 - the nature of that change was temporary; and
 - there was an effect on UK industry.
6. This recommendation is made pursuant to regulation 85 of the Regulations. The TRA may make a recommendation where:
 - market conditions have changed temporarily;
 - as a consequence of the change in market conditions, the injury caused to UK industry is unlikely to recur if the application of an anti-dumping amount were to be suspended;
 - the TRA is satisfied that a suspension is appropriate; and
 - UK industry has been given the opportunity to comment on the proposed suspension.

7. In accordance with regulation 85(8) of the Regulations, where the TRA considers it appropriate to make a suspension recommendation, the recommendation must include:

- the reasons for its determination;
- the recommended period of suspension; and
- any other information the TRA considers relevant.

SECTION B: Summary and findings

B1. Interested parties and contributors

8. The following interested parties and contributors registered to the suspension investigation:

Table 1: Registered interested parties and contributors

Name	Abbreviation	Country	Category
Ministry for Development of Economy, Trade and Agriculture of Ukraine	Ukraine	Ukraine	Foreign Government
TATA Steel UK Limited	TSUK	UK	Producer of the Goods Concerned in the UK
Liberty Steel	Liberty	UK	Producer of the Goods Concerned in the UK

9. The submissions made to this suspension investigation are available on the [public file](#) and are listed at [Annex 1](#).

B2. Description of the goods

10. As set out in the NOI, the description of the goods which are subject to this investigation (the Goods Concerned) is as follows:

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

The following product types are excluded:

- products of stainless steel excluding grain-oriented silicon electrical steel;
- products of tool steel and high speed steel; and
- products not in coils, without patterns in relief, of a thickness exceeding 10mm and of a width of 600mm or more * products not in coils, without patterns in relief, of a thickness of 4.75mm or more but not exceeding 10mm and of a width of 2.5m or more.”

11. The Goods Concerned are currently classifiable within the following commodity code(s):

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

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

B3. Assessment of whether market conditions have changed temporarily

12. In accordance with regulations 85(4)(a) of the Regulations, we considered whether market conditions have changed and the temporary nature of that change in relation to the Goods Concerned.
13. We determined that market conditions have changed as a result of the impact on Ukraine's ability to produce and export the Goods Concerned following the invasion of Ukraine on 24 February, and that this change is temporary due to the ongoing rerouting of production and logistics.

B4. Assessment of injury

14. In accordance with regulation 85(4)(b) of the Regulations, we considered whether as a consequence of the change in market conditions, injury to the UK industry of the Goods Concerned would be likely to recur if the application of an anti-dumping amount were to be suspended.
15. We determined that, as a consequence of the temporary change in market conditions, the injury caused to the UK industry is unlikely to recur if the

application of the anti-dumping measure applied to Ukraine were to be suspended.

B5. Appropriateness of suspension

16. In accordance with regulation 85(2)(b) of the Regulations, we may make a suspension recommendation where we are satisfied that it is appropriate to do so.
17. As a result of the significant damage caused to Ukraine's infrastructure, economy and metallurgical industry following the invasion by Russia, we are satisfied that a suspension is appropriate.

B6. UK industry has had the opportunity to comment

18. In accordance with regulation 85(2)(c) of the Regulations, we may make a suspension recommendation where the UK industry has been given the opportunity comment on the suspension proposed.
19. The TRA published a registration form alongside the NOI to give the UK industry the opportunity to comment. We received submissions from the two UK domestic producers of hot-rolled steel products, who were supportive of the proposed suspension and did not provide any evidence or reason that injury would likely recur.

B7. Final recommendation

20. In accordance with regulation 85(2) of the Regulations, the TRA may make a suspension recommendation where factors set out in [section A1](#) have been met. The TRA believes that all factors have been met as per B3, B4, B5 and B6 and therefore will make a recommendation.
21. Our intended recommendation is to suspend the application of anti-dumping measures against certain hot-rolled flat steel products from Ukraine under regulation 85 of the Regulations for a period of nine months in accordance with regulation 87 of the Regulations.

SECTION C: Background

C1 Initiation of the suspension investigation

22. On 31 December 2020, the Secretary of State published a [Notice of Determination](#) and [Taxation Notice](#) regarding the anti-dumping duty on certain hot-rolled flat products on iron, non-alloy or other alloy steel originating in Brazil, Iran, the Russian Federation and Ukraine. In accordance with the Regulations the TRA is also required to conduct a separate transition review of the transitioned UK trade remedies measure.
23. The TRA has received information from the Government of Ukraine indicating that there has been a change in market conditions of a temporary nature. The TRA considered this information in accordance with the conditions set out under regulations 85(4) and 86(2) of the Regulations and initiated this investigation on 24 June 2022.

C2 Information from participants in the investigation

24. In accordance with regulation 85(2)(c) of the Regulations, parties were given the opportunity to comment on the proposed suspension.

C2.1 UK producers

25. We received submissions from two UK producers:

- TATA Steel UK;¹ and
- Liberty Steel.²

26. The information submitted by these parties are listed in [Annex 1](#).

C2.2 Foreign governments

27. We received submissions from the following foreign government:

- Government of Ukraine.³

28. The information submitted by the foreign government is listed in [Annex 1](#).

¹ Trade remedies (trade-remedies.service.gov.uk) TSUK registration of interest

² Trade remedies (trade-remedies.service.gov.uk) Liberty registration of interest

³ Trade remedies (trade-remedies.service.gov.uk) Ukraine registration of interest

C3. Treatment of information

29. In addition to information provided by the parties listed above, secondary source information was used in this investigation in accordance with the Regulations. This included, but was not limited to, official import statistics and data pertaining to relevant markets.

SECTION D: Temporary change in market conditions

D1 Introduction

30. We are required under regulation 85(4)(a) of the Regulations to consider whether market conditions have changed temporarily.
31. To conduct this assessment we considered:
- the change in market conditions; and
 - the temporary nature of that change.

D2. Change in market conditions

32. In assessing whether there has been a change in market conditions, we have considered the normal course of trade between the UK and Ukraine. In this instance, Ukraine, a sovereign nation state has been invaded, and has had its territory impinged by another sovereign country, the Russian Federation (Russia). The Russian invasion commenced on 24 February 2022 and has resulted in a change in conditions in the market for Ukrainian hot-rolled steel.
33. DIT asked the TRA to consider a letter from the First Deputy Prime Minister of Ukraine on 31 May 2022, setting out the Government of Ukraine's position on the change in market conditions. The letter referenced the impact of the Russian military intervention upon Ukraine's infrastructure and economy, and in particular, the severe threat posed to the national metallurgy industry. It also highlighted that the primary goal of Ukrainian steel enterprises going forward will be on fulfilling domestic demand – rebuilding destroyed bridges, roads, communications, industrial and civil facilities.
34. The TRA set out its position on the change in market conditions in the NOI⁴ and Registration Form,⁵ and sought comment from UK industry and the Government of Ukraine. In these documents we stated that we consider market conditions have changed because of a significant reduction in both the output of the Goods Concerned by Ukrainian producers and in the export of the Goods Concerned to the UK from Ukraine. Furthermore, future residual domestic production capacity within Ukraine is likely to be focused on meeting domestic demand rather than servicing international markets. As a result, the global supply of the Goods Concerned has reduced and the cost in the global market has increased.

⁴ Notice of Initiation (trade-remedies.service.gov.uk)

⁵ Registration Form (trade-remedies.service.gov.uk)

D2.1 Submissions from Interested Parties

35. TSUK, who is the major UK producer of hot-rolled steel products, stated in their submission⁶ that to the best of their knowledge, the output of the Goods Concerned have decreased in Ukraine and that the Ukrainian steel industry has been severely affected since the beginning of the conflict.
36. Liberty Steel, who is a UK producer of hot-rolled steel products, stated in their submission,⁷ that Ukrainian export volumes of the Goods Concerned have been low since the start of the war. They further note that production capacity is likely to be more focused on domestic supply in the short term.
37. TSUK and Liberty Steel represent the entire UK industry in the production of hot-rolled steel products, and their submissions reaffirm the TRA's conclusion that there has been a change in market conditions.
38. The Government of Ukraine stated in their submission⁸ that the Ukrainian steel sector has lost more than 40% of steelmaking capacities. Additionally, Ukraine has lost one of two enterprises that produce hot-rolled steel products as a result of the conflict, and the enterprise that remains operational has reduced productivity.

D2.2 Supporting Evidence

39. The statement made by Ukraine in the previous paragraph, is corroborated by a report in the Financial Times⁹ that the Azovstal plant in Mariupol produced 40% of Ukraine's entire steel output in 2021. This was an estimated four million tonnes of the total ten million tonnes produced in Ukraine. With the considerable damage to this facility as a result of Russian bombardment, Ukraine's total expected output has fallen at least 40% to six million tonnes. Therefore, there is a significantly reduced supply of steel products available for export.
40. The Financial Times further reports that Metinvest, the largest and vertically integrated group of steel production in Ukraine, is estimated to have reduced output by 60% this year, compared to 2021 due to the impact of the Russian invasion.
41. While Ukraine will continue to produce steel in other facilities,¹⁰ it is recognised that although the capacity of metallurgical entities to produce and export certain steel products still exists, the primary goal of Ukrainian steel enterprises would likely focus on the fulfilment of domestic demand

⁶ TSUK Submission (trade-remedies.service.gov.uk) Registration Form

⁷ Liberty Submission (trade-remedies.service.gov.uk) Registration Form

⁸ Ukraine Submission (trade-remedies.service.gov.uk) Registration Form

⁹ Financial Times ([Europe battles to secure steel following Russia's invasion of Ukraine](#)) date accessed: 13/06/22

¹⁰ Interfax ([Metinvest reduces use of its facilities by more than 40%](#)) date accessed: 13/06/22

and rebuilding destroyed infrastructure. This was noted by the Government of Ukraine as well as Liberty Steel in their respective submissions.

42. Where Ukraine has the ability to produce and spare capacity to export, where it is commercially attractive, they will have significant difficulty in achieving this for two reasons. Firstly, the export blockade of Ukraine's Black Sea ports by Russian naval forces, mainly Odessa and Mariupol, has blocked their primary export route.¹¹ Secondly, not only have the railways been targeted by Russian forces,¹² the Ukrainian railways that remain operational, operate a wider track gauge than its Western neighbours, making it slow (16-30 days),¹³ difficult and expensive to transport goods on to the European and UK markets.
43. As a result of these developments, the TRA therefore believes there has been a change in market conditions.

D3. Temporary nature of that change

44. While we cannot estimate the duration of the war in Ukraine, there is evidence to suggest the resulting change in market conditions will be temporary.
45. As mentioned in paragraph 35, the letter sent by the Government of Ukraine additionally noted the temporariness of the change in market conditions. The First Deputy Prime Minister of Ukraine recognises the capacity of metallurgical entities to produce and export certain steel products still exists, albeit in a reduced capacity. The letter goes on to note that Ukrainian producers will seek to export spare capacity when the opportunity arises, to help sustain the domestic economy and metallurgy industry.
46. The TRA set out its position on the temporary nature of the change in market conditions in the NOI¹⁴ and Registration Form,¹⁵ and sought comment from the UK industry and the Government of Ukraine. In these documents we stated that we consider this change is of a temporary nature because rerouting of production and logistics is underway to improve supply lines. Reduced levels of production of the Goods are continuing in Ukraine and Ukrainian producers are likely to be seeking to move production to provinces that are less affected by the conflict. Therefore, we consider that export of the Goods may resume in future.

¹¹ The Guardian ([The Black Sea blockade](#)) date accessed: 14/06/22

¹² Sky News ([Why is Russia attacking Ukraine's railways](#)) date accessed: 22/07/22

¹³ International Railway Journal ([EU to set up solidarity lanes to support Ukrainian grain exports](#)) date accessed 14/06/22

¹⁴ Notice of Initiation ([trade-remedies.service.gov.uk](#))

¹⁵ Registration Form ([trade-remedies.service.gov.uk](#))

D3.1 Submissions from Interested Parties

47. TSUK stated in their submission¹⁶ that they agree that Ukrainian producers are currently struggling with a range of issues affecting their ability to produce and export hot-rolled steel products, and that these issues are of a temporary nature.
48. In the submission from Liberty Steel,¹⁷ they also refer to the current short-term production and logistical issues in Ukraine.

D3.2 Supporting Evidence

49. Since the onset of the conflict on 24 February 2022, Russian forces have subsequently narrowed their strategic objectives to focus on the Eastern oblasts (provinces) of Ukraine. As a result, the Central and Western oblasts are not currently an active theatre of war and will be seeking to rebuild the national metallurgical industry, domestic infrastructure and the Ukrainian economy. We note that, although at a lower-level steel than before the invasion, steel production in Ukraine continues and will be focusing production in these oblasts.¹⁸ However, this may be a dynamic issue as Russia's strategy in Ukraine evolves.
50. While the Azovstal steelworks in Mariupol has ceased production, Metinvest's CEO, Yuriy Ryzhenkov estimates that 50,000 of Metinvest's employees are still working in the country. Two more blast furnaces in Zaporizhzhia and the city of Kamianske to the North are working at about 50% and 60% capacity respectively, with most products going to European markets or ports. We would therefore expect the significant drop in production levels to be temporary.
51. Logistics remain the main bottleneck for businesses in Ukraine.¹⁹ To restart the economy and export goods globally, Black Sea ports at Odessa and Mariupol will need to be reopened. As the global shortage of grain has become more prevalent, this may be the impetus to demining and opening the Black Sea ports to allow exports.
52. Additionally, new railway terminals are being built on the borders with friendly European neighbours, Poland and Slovakia, to overcome the delays to rail freight due to the different gauge sizes. Attempts have begun to build logistics through the ports of the Baltic Sea and neighbouring Romania.²⁰ These developments will contribute to overcoming the severe logistical challenges experienced at present.

¹⁶ TSUK Submission (trade-remedies.service.gov.uk) Registration Form

¹⁷ Liberty Submission (trade-remedies.service.gov.uk) Registration Form

¹⁸ The Guardian ("[Steel is as key to Ukraine's victory as soldiers](#)") date accessed 15/06/22

¹⁹ The Guardian ("[Steel is as key to Ukraine's victory as soldiers](#)") date accessed 15/06/22

²⁰ GMK Center ([Ukraine to build new railway terminals at the state border](#)) date accessed 15/06/22

53. We therefore consider that the effects of the combination of reduced production, closed Black Sea ports and domestic demand for infrastructure rebuilding will be temporary.

D4. Conclusion

54. The TRA has received information from the Government of Ukraine that market conditions have changed. This information has been corroborated by the UK industry, represented by two domestic producers, and a range of open-source information and data. We find that the drastic reduction in steel production capabilities and severe export challenges represent a change in market conditions.
55. We believe this change in market conditions to be of a temporary nature, due to submissions from the Government of Ukraine, UK industry, and open-source data and information. There is evidence that the Government of Ukraine is undertaking efforts to 'debottleneck' the logistical challenges, by establishing alternate trade routes, increasing rail freight capabilities, and negotiating the reopening of the Black Sea ports with Russia and Turkey.
56. The TRA therefore concludes that there is a temporary change in conditions in the market for Ukrainian hot-rolled steel.

SECTION E: Assessment of injury

E1 Introduction

57. We are required under regulation 85(4)(b) of the Regulations to consider whether, as a consequence of the change in market conditions, the injury caused to a UK industry is unlikely to recur if the application of an anti-dumping amount were to be suspended.
58. In order to conduct the assessment of injury we considered:
- Ukraine's domestic production capacity;
 - Ukraine's ability to export the Goods Concerned;
 - Undercutting of the UK industry; and
 - Historic injury.

E2. Position of the UK Industry

59. As stated prior, the TRA gave the UK industry the opportunity to comment on the proposed suspension and specifically, on whether the UK industry felt that injury would be likely to recur if the application of the anti-dumping amount were to be suspended. The UK industry for hot-rolled steel products is composed of TATA steel and Liberty Steel.
60. "Ukrainian imports of HRF (hot-rolled flat) are unlikely to cause injury to the UK industry in the short-term perspective", and go to note in their additional submission their company "supports the proposed temporary suspension of the anti-dumping measures with respect to Ukraine".²¹
61. In the submission from Liberty Steel,²² they state "regarding the decrease in production and export of goods from the Ukraine, Liberty Steel UK do not consider that injury to the UK industry is a concern in the short term".
62. Therefore, UK industry has not provided any evidence or reason to suggest, that as a result of the change in market conditions, injury would be likely to recur if the anti-dumping measure on hot-rolled steel originating in Ukraine were to be suspended.

²¹ TSUK Submission (trade-remedies.service.gov.uk) Registration Form

²² Liberty Submission (trade-remedies.service.gov.uk) Registration Form

E3. Ukraine's capacity to produce the Goods Concerned

63. The evidence provided indicates that Ukraine has a diminished domestic capacity to produce the Goods Concerned as documented in [section D](#) paragraphs 37 to 43. This includes submissions from the Government of Ukraine, TSUK, Liberty Steel and supporting information and data from secondary sources.
64. According to data from World Steel,²³ Ukraine produced 21,336,000 tonnes of crude steel in 2021 (prior to the conflict) – crude steel is the raw material for hot-rolled steel products. Of this total production figure, further statistics from World Steel²⁴ show that in 2021, Metinvest produced 11,480,000 tonnes of crude steel – giving them an estimated domestic market share of 53.7%. Two of Metinvest's steel works are located in Mariupol, Azovstal and Ilich, and they contribute an estimated 70% of Metinvest's steel production in Ukraine.²⁵ Due to damage in the conflict with Russia, these two sites are no longer operational and represent a 40% decrease in national production capacity.
65. This estimated reduction in Ukraine's capacity to produce the Goods Concerned by at least 40% is supported by GMK Center,²⁶ who additionally note that production is disrupted by occupied or destroyed production facilities, including 37% of steel production facilities, 40% of semi-finished production facilities and 37% of finished metal products.

E4. Ukraine's ability to export the Goods Concerned

66. Ukraine has a reduced ability to export the Goods Concerned in the short term as documented in [section D](#), paragraphs 44, 55 and 56. This includes evidence from secondary sources citing the CEO of Metinvest, and reputable broadsheet news sources.
67. Prior to the conflict with Russia, an estimated 90% of Ukrainian exports left through deep ports in Black Sea; all of which are now closed.²⁷ Russia has seized most of Ukraine's coastline and aims to seize control of the entire Southern regions.²⁸ The Russian Black Sea fleet has blockaded most of the coastline, while Ukraine has mined the port of Odessa to prevent a Russian amphibian assault on its Southern Coast.
68. Therefore, in order to export the Goods Concerned, Ukraine may have to focus on rail freight. However, as has been evidenced, there are currently a number of issues with rail freight due to the wider railway gauges in

²³ World Steel ([Total production of crude steel 2021](#)) date accessed: 15/07/22

²⁴ World Steel ([2021 Top steel producing companies](#)) date accessed: 15/07/22

²⁵ Metinvest Holdings ([Steel facilities](#)) date accessed: 15/07/22

²⁶ GMK Center ([2022 Steel production in Ukraine](#)) date accessed: 15/06/22

²⁷ BBC ([How can Ukraine export its harvest?](#)) date accessed: 15/06/22

²⁸ Politico ([Sergei Lavrov - Russia expands Ukraine war goal](#)) date accessed: 22/07/22

Ukraine making this difficult to export to neighbouring countries. While new railway terminals are being constructed to increase rail freight and reduce congestion at the state borders, the priority for exports will likely focus on moving grain as the new harvest begins and the impact of the global grain shortage becomes more palpable.

69. The Telegraph reports on the tentative agreement brokered by the UN Secretary General and the President of Turkey, to reopen Ukraine's Black Sea ports for grain exports.²⁹ This agreement specifically relates to the export of Ukraine's agricultural production, and may be some time before normal exports of hot-rolled steel products resumes.

E5. Undercutting of the UK industry

70. GMK Center³⁰ reports on the Ukrainian Center for Steel Construction's index of construction steel prices in Ukraine on 8 June 2022. This article states the price of hot-rolled sheet cost 43,500 UAH (Ukrainian hryvnia) per tonne – that is approximately £1,239.52 as per exchange rates on 15/07/22. While Argus Media³¹ reports the price of West Midlands DDP (delivery duty paid) price of HRF to be around £795. Therefore, domestic Ukrainian hot-rolled steel products were an estimated 50% higher than domestic UK prices.
71. In addition to these significantly higher prices in Ukraine compared to the UK, there will be an additional cost of transporting the Goods Concerned to the UK market in the short-term owed to the export difficulties and rising cost of fuel. Therefore, it would be reasonable to assume the price of Ukrainian hot-rolled steel products would be significantly more expensive than domestic hot-rolled steel products.
72. The Government of Ukraine noted in their submission³² that considering the current unprecedented domestic situation, it is unlikely that the Ukrainian steel industry would increase production and export to the UK market in such quantities and such conditions that would cause injury to the UK industry.
73. This evidence is supported by submissions received from UK industry, as stated in [section E2](#).

²⁹ The Telegraph ([Russia and Ukraine sign grain deal](#)) date accessed: 27/07/22

³⁰ GMK Center ([Prices on steel bars, beams, corners and hot-rolled sheets](#)) date accessed: 15/07/22

³¹ Argus Media ([UK coil prices](#)) date accessed: 15/06/22

³² Ukraine Submission ([trade-remedies.service.gov.uk](#)) Registration Form

E6. Historic Injury

74. TSUK highlighted that in the period between anti-dumping measures being imposed on Ukraine in 2017 and the recent onset of conflict in February 2022; export volumes of the Goods Concerned have been very low (less than 1% of total imports into the UK).
75. Table 2 corroborates this using data collated from UK Trade Info³³. It shows the total volume of UK imports of HRF, the volume of UK imports of HRF from Ukraine and the percentage of total imports of HRF that come from Ukraine:

Table 2: UK imports of HRF

Total volume of Imports (tonnes)	2018	2019	2020	2021
EU – Imports	636,261	611,821	360,642	367,528
Non-EU – Imports	207,564	203,878	133,487	313,562
Grand Total	843,825	815,698	494,129	681,089
Imports from Ukraine	30	69	810	0
% of Grand Total	<0.01%	<0.01%	0.16%	0%

E7. Conclusion

76. We have assessed four factors, as laid out above, to consider whether as a consequence of the temporary change in market conditions, injury would be likely to recur.
77. The TRA has concluded that:
- Ukraine has a diminished domestic capacity to produce the Goods Concerned as a result of the conflict with Russia;

³³ UK Trade Info ([Trade Info Custom Table](#)) date accessed: 14/07/22

- Ukraine has a reduced ability to export the Goods Concerned in the short-term;
- undercutting of the UK industry by imports of hot-rolled flat products from Ukraine is unlikely; and
- historic data shows low level imports of hot-rolled flat products from Ukraine in the last four years.

78. Therefore, based on our assessment of the injury factors we conclude that as a consequence of the change in market conditions, the injury caused to UK industry is unlikely to recur if the application of the anti-dumping measures on certain hot-rolled steel products originating from Ukraine were to be suspended.

SECTION F: Appropriateness and Opportunity for comment

F1. Appropriateness

79. Significant damage has been caused to Ukraine's infrastructure, economy and metallurgical industry, and as such Ukraine is not likely to be able to export more than negligible levels of hot-rolled steel products to the UK in the short term. We therefore think it is unlikely that injury will recur if the application of the anti-dumping amount is suspended, and that it is appropriate to suspend that anti-dumping amount.

F2. Opportunity for comment

80. Parties were given the opportunity to comment on both the NOI and the Registration Form. These comments have been taken into account in making this final recommendation.

SECTION G: Period of Suspension

81. Regulation 87 of the Regulations sets out the conditions for establishing the period of suspension, which must not exceed nine months but may be extended to twenty-one months following an application by an interested party.
82. The largest UK producer of hot-rolled steel products, TSUK, believes it is appropriate to provide the Ukrainian industry relief from the measures for up to nine months.
83. TSUK however requests the TRA to monitor the changing market conditions and their effect on UK industry, and has drawn our attention to the fact that it is necessary to ensure the Ukrainian steel industry is not used by third countries to circumvent trade defence measures and/or sanctions.³⁴ Specifically, if the Ukrainian steel industry undergoes significant changes either in terms of their ownership structure or supply chain.
84. According to regulation 88(1) of the Regulations the TRA may make a recommendation to the Secretary of State to reinstate the anti-dumping measure, where we determine that the circumstances in regulation 85(4) of the Regulations no longer exist.
85. In summary, the TRA is making the recommendation to suspend the anti-dumping measure for a period of nine months, as the evidence in this report indicates, it would be unlikely that market conditions would revert to pre-invasion levels in a period less than this.

³⁴ TSUK Submission (trade-remedies.service.gov.uk) Registration Form

SECTION H: Final recommendation

H1. Findings

86. We intend to make a recommendation on the grounds that:

- Market conditions have changed temporarily because of a significant reduction in both the output of the Goods Concerned by Ukrainian producers and in the export of the Goods Concerned to the UK from Ukraine. This change is of a temporary nature because rerouting of production and logistics is underway to improve supply lines, as established in [section D](#);
- As a result of the change in market conditions, the injury caused to UK industry is unlikely to recur if the application of the anti-dumping amount were to be suspended. As Ukraine has a diminished domestic capacity to produce the Goods Concerned, a reduced ability to export the Goods Concerned, that undercutting of UK industry is unlikely, and historic data shows low-level imports in the last four years, as set out in [section E](#);
- The TRA is satisfied that a suspension is appropriate on the grounds listed in the body of this report. Namely, as a result of the invasion of Ukraine by Russia, the significant damage caused to Ukraine's infrastructure, economy and metallurgical industry has been such that Ukraine is not likely to be able to export more than negligible levels of hot-rolled steel products in the short term; and
- UK industry has been given the opportunity to comment on the suspension proposed in the application for suspension, as laid out in the NOI,³⁵ by which the UK industry is supportive of the suspension of anti-dumping measures against certain hot-rolled steel products originating in Ukraine.

H2. Final recommendation

87. Our final recommendation is therefore to suspend the application of the anti-dumping amount under regulation 85 of the Regulations. We recommend suspending the anti-dumping amount for a period of nine months in accordance with regulation 87 of the Regulations. The TRA recommends this to the Secretary of State to give notice to this effect.

³⁵ Notice of Initiation (trade-remedies.service.gov.uk)

Annex 1: Information from participants in the investigation

Name (abbreviation)	Submission(s)
Ministry of for Development of Economy, Trade and Agriculture of Ukraine (Ukraine)	Registration of interest
TATA Steel UK Limited (TSUK)	Registration of interest
Liberty Steel (Liberty)	Registration of interest