

Comments of the Russian side regarding the safeguard measures on steel (SM0015)

The Ministry of Economic Development of the Russian Federation and the Ministry of Industry and Trade of the Russian Federation (hereinafter referred to as ‘the Russian side’) would like to draw attention of the UK Trade Remedies Authority (hereinafter referred to as ‘the TRA’) to the following considerations.

There is a significant number of AD/CV measures on steel products (72 and 73 customs codes) applied by the UK simultaneously with the existing safeguard measure. Such a situation shows that UK steel industry has significant level of trade defense. As a result, the significant rise of prices took place in the UK on steel products.

In our view, the TRA should take into consideration problems that the UK downstream industries face due to the safeguard measure in place. The relief for the UK steel industry is created by the measures at the expense of their clients.

Please note that decrease of the level of measure's liberalisation (if the TRA makes such a decision after the review) would negatively affect the predictability of the steel market. In our opinion, this would lead to a slowdown in the development of the UK downstream industries that consume metallic coated sheets, organic coated sheets and rail materials.

What is more, Article 7.2 of the WTO Agreement on Safeguards states that

The period mentioned in paragraph 1 may be extended provided that the competent authorities of the importing Member have determined, in conformity with the procedures set out in Articles 2, 3, 4 and 5, that the safeguard measure continues to be necessary to prevent or remedy serious injury and that there is evidence that the industry is adjusting, and provided that the pertinent provisions of Articles 8 and 12 are observed.

Thus, in order to maintain the measure, the TRA should have information at its disposal that categories subject to the measure need it both individually (to defend UK producers of 4, 5, and 19 categories) and collectively. As there is no such evidence, there are no grounds to maintain the measure according to WTO rules.

We kindly ask the TRA to consider these circumstances while making decisions to change the parameters of the measure.