



TARIFF QUOTA REVIEW No. SM0015
TRQ Review on certain steel products
Note to Public File

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What is happening?

On 3 June 2021 the TRA made a recommendation to the Secretary of State at the conclusion of its transition review of EU TRQs on certain categories of steel products (the original decision). The Safeguard Regulations 2019¹ required the Secretary of State to either accept or reject the TRA's recommendation in its entirety.

On 30 June 2021 the Secretary of State announced that the Government was making new regulations to defend the UK steel industry by allowing extension of the measure on some of the categories of steel products the TRA recommended for revocation, whilst accepting revocation for others.

On Thursday 11 November 2021 HMRC issued corrected figures for the data regarding certain commodity codes on which TRA based its recommendation relating to TRQs in categories 4 (metallic coated sheets), 5 (organic coated sheets), and 19 (rail materials).

This means that the published data on which the TRA based this aspect of the steel safeguard transition review is now established to have been incorrect. Revisions of the TRQs for these product categories need to be considered.

The original decision TRA recommendation for category 19, and its basis on challenged data, is one of the grounds we have been asked to address during our reconsideration of the TRA steel safeguards original decision. The TRA has also received reconsideration grounds relating to categories 4 and 6 – but not regarding HMRC data. Category 5 is not subject to reconsideration.

The HMRC data correction issue is unique among the reconsideration grounds in that the data error has been confirmed by HMRC. We are therefore certain that the TRQs as recommended by the TRA for the categories concerned were based on data that was incorrect. Further, the scale and complexity of the overall reconsideration is such that an outcome is not expected imminently. As a matter of good administration public bodies should correct known errors as soon as is reasonably practicable. In our view, correcting this clear error therefore should not be contingent on the timeline of the reconsideration as a whole and justifies exceptional and expedited treatment.

¹ The Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019, as amended (SI 2019/449)



The TRA therefore are suspending reconsideration work on all grounds related to the HMRC data revision in order that this TRQ Review can be undertaken to make a standalone recommendation as soon as possible to revise the affected TRQs.

The TRA has therefore today published a Notice of Initiation of this TRQ review.

The proposed TRQ revisions below are without prejudice to the outcome of the separate steel safeguards reconsideration in relation to grounds associated with these product categories. The TRA will go on to address these grounds as part of the initiated reconsideration.

The public file for the steel safeguards reconsideration, including a note relating to this TRQ Review, can be found at <https://www.trade-remedies.service.gov.uk/public/case/TF0006>.

The TRA therefore intends to make a recommendation to the Secretary of State to amend the TRQs for categories 4, 5, and 19 as set out in Annex 1.

The corrected HMRC figures also revise data relevant for category 6 (tin mill products). The TRA are not recommending a revised TRQ for product category 6 as the TRA did not recommend maintaining the measure in relation to this product category which was extended by the Secretary of State separately.

Submitting information

Parties with an interest in this TRQ revision are invited to comment on the TRA's proposed course of action by uploading any submission to the TRS by 18 February 2022 (fourteen days and ten working days from this review being initiated on 4 February 2022).

Parties intending to comment who know they will be unable to comment within this time should please contact the TRA at sm0015@traderemedies.gov.uk as soon as possible.

Please note that you will have to provide **two copies of your response** – a **Confidential** and a **Non-Confidential version**. See Annex 4 for further information.

The TRA intends to make the revising recommendation to the Secretary of State as soon as possible after this period.

4 February 2022



Annex 1 – TRQ proposals

Table 1 – proposals by year

| Product Category | number | 4 | 5 | 19 | |
|--|--|---|--|---|---------------|
| | description | Metallic Coated Sheets | Organic Coated Sheets | Railway Material | |
| | commodity codes with HMRC revised data | 7210 20 00 7210 41 00 7210 49 00 | 7210 70 80 7212 40 80 | 7302 10 22 7302 10 28 7302 10 50 | |
| | N.B. codes listed for categories 4 and 19 do not include those for which the TRA recommended revoking safeguard measures in the original decision. | 7210 61 00 7210 69 00 20 7210 69 00 80 7210 90 80 7212 20 00 7212 30 00 7212 50 20 7212 50 30 7212 50 40 7212 50 61 7212 50 69 7212 50 90 7225 91 00 7225 92 00 7225 99 00 7226 99 10 7226 99 30 7226 99 70 | | | |
| TRA Recommendation (Original Decision) | | Vary | Vary | Vary | |
| Proposal | | TRA to recommend proposed TRQ as below | TRA to recommend proposed TRQ as below | TRA to recommend proposed TRQ as below | |
| TRQ (Kg 000's) | 01/07/21 to 30/06/22 | Initial | 1,838,841 | 184,843 | 36,956 |
| | | Proposed | 1,787,052 | 195,204 | 17,912 |
| | | Change | -51,789 | 10,361 | -19,044 |
| | 01/07/22 to 30/06/23 | Initial | 1,894,007 | 190,388 | 38,064 |
| | | Proposed | 1,840,663 | 201,060 | 18,449 |
| | | Change | -53,344 | 10,672 | -19,615 |
| | 01/07/23 to 30/06/24 | Initial | 1,950,827 | 196,100 | 39,206 |
| | | Proposed | 1,895,883 | 207,092 | 19,003 |
| | | Change | -54,944 | 10,992 | -20,203 |
| | Totals | Initial | 5,683,675 | 571,331 | 114,227 |
| | | Proposed | 5,523,598 | 603,356 | 55,364 |
| | | Change | -160,077 | 32,025 | -58,863 |

TRQs are total country specific + residual. The proposed TRQs have been calculated according to the principles set out in Annex 2.



Table 2a

| Category 4: Proposed quarterly country specific and residual TRQs (Kg 000's) | | | | | | | |
|--|------------|---------|--------|-------------|--------|----------|---------|
| Quarter | | EU | China | South Korea | Taiwan | Residual | Total |
| 01/07/2021 | 30/09/2021 | 296,358 | 30,403 | 21,941 | 31,926 | 69,806 | 450,434 |
| 01/10/2021 | 31/12/2021 | 296,358 | 30,403 | 21,941 | 31,926 | 69,806 | 450,434 |
| 01/01/2022 | 31/03/2022 | 289,916 | 29,742 | 21,464 | 31,232 | 68,288 | 440,642 |
| 01/04/2022 | 30/06/2022 | 293,137 | 30,072 | 21,703 | 31,579 | 69,047 | 445,538 |
| 01/07/2022 | 30/09/2022 | 305,249 | 31,315 | 22,600 | 32,884 | 71,900 | 463,948 |
| 01/10/2022 | 31/12/2022 | 305,249 | 31,315 | 22,600 | 32,884 | 71,900 | 463,948 |
| 01/01/2023 | 31/03/2023 | 298,613 | 30,634 | 22,108 | 32,169 | 70,337 | 453,861 |
| 01/04/2023 | 30/06/2023 | 301,931 | 30,974 | 22,354 | 32,527 | 71,119 | 458,905 |
| 01/07/2023 | 30/09/2023 | 313,548 | 32,166 | 23,214 | 33,778 | 73,855 | 476,561 |
| 01/10/2023 | 31/12/2023 | 313,548 | 32,166 | 23,214 | 33,778 | 73,855 | 476,561 |
| 01/01/2024 | 31/03/2024 | 310,139 | 31,816 | 22,962 | 33,411 | 73,052 | 471,380 |
| 01/04/2024 | 30/06/2024 | 310,139 | 31,816 | 22,962 | 33,411 | 73,052 | 471,380 |

Table 2b

| Category 5: Proposed quarterly country specific and residual TRQs (Kg 000's) | | | | | |
|--|------------|--------|-------------|----------|--------|
| Quarter | | EU | South Korea | Residual | Total |
| 01/07/2021 | 30/09/2021 | 33,537 | 12,760 | 2,905 | 49,202 |
| 01/10/2021 | 31/12/2021 | 33,537 | 12,760 | 2,905 | 49,202 |
| 01/01/2022 | 31/03/2022 | 32,808 | 12,482 | 2,842 | 48,132 |
| 01/04/2022 | 30/06/2022 | 33,172 | 12,621 | 2,874 | 48,667 |
| 01/07/2022 | 30/09/2022 | 34,543 | 13,143 | 2,993 | 50,679 |
| 01/10/2022 | 31/12/2022 | 34,543 | 13,143 | 2,993 | 50,679 |
| 01/01/2023 | 31/03/2023 | 33,792 | 12,857 | 2,928 | 49,577 |
| 01/04/2023 | 30/06/2023 | 34,167 | 13,000 | 2,960 | 50,127 |
| 01/07/2023 | 30/09/2023 | 35,482 | 13,500 | 3,074 | 52,056 |
| 01/10/2023 | 31/12/2023 | 35,482 | 13,500 | 3,074 | 52,056 |
| 01/01/2024 | 31/03/2024 | 35,096 | 13,353 | 3,041 | 51,490 |
| 01/04/2024 | 30/06/2024 | 35,096 | 13,353 | 3,041 | 51,490 |

Table 2c

| Category 19: Proposed quarterly country specific and residual TRQs (Kg 000's) | | | | |
|---|------------|-------|----------|-------|
| Quarter | | EU | Residual | Total |
| 01/07/2021 | 30/09/2021 | 4,386 | 129 | 4,515 |
| 01/10/2021 | 31/12/2021 | 4,386 | 129 | 4,515 |
| 01/01/2022 | 31/03/2022 | 4,290 | 126 | 4,416 |
| 01/04/2022 | 30/06/2022 | 4,338 | 128 | 4,466 |
| 01/07/2022 | 30/09/2022 | 4,517 | 133 | 4,650 |
| 01/10/2022 | 31/12/2022 | 4,517 | 133 | 4,650 |
| 01/01/2023 | 31/03/2023 | 4,419 | 130 | 4,549 |
| 01/04/2023 | 30/06/2023 | 4,468 | 131 | 4,599 |
| 01/07/2023 | 30/09/2023 | 4,640 | 137 | 4,777 |
| 01/10/2023 | 31/12/2023 | 4,640 | 137 | 4,777 |
| 01/01/2024 | 31/03/2024 | 4,590 | 135 | 4,725 |
| 01/04/2024 | 30/06/2024 | 4,590 | 135 | 4,725 |

The proposed TRQs have been calculated according to the principles set out in Annex 2.



Table 3 – data on import value/volume per category

| Product Category | number | | 4 | 5 | 19 | |
|------------------|--|-----------|--------------------------|-----------------------|------------------|-------|
| | description | | Metallic Coated Sheets | Organic Coated Sheets | Railway Material | |
| | commodity codes with HMRC revised data | | 7210 49 00 7210 61 00 | 7210 70 80 | 7302 10 22 | |
| Data | £ 000's | 2015 | Initial | 628,903 | 78,325 | 5,216 |
| | | | Revised | 600,075 | 107,443 | 5,216 |
| | | | Change | -28,828 | 29,118 | 0 |
| | | 2016 | Initial | 854,258 | 96,053 | 4,800 |
| | | | Revised | 831,820 | 118,793 | 4,800 |
| | | | Change | -22,438 | 22,740 | 0 |
| | | 2017 | Initial | 1,066,900 | 141,294 | 3,675 |
| | | | Revised | 1,048,847 | 159,347 | 3,675 |
| | | | Change | -18,054 | 18,054 | 0 |
| | | 2018 | Initial | 1,034,851 | 159,217 | 8,037 |
| | | | Revised | 1,027,293 | 166,771 | 8,037 |
| | | | Change | -7,559 | 7,554 | 0 |
| | 2019 | Initial | 872,470 | 221,304 | 27,746 | |
| | | Revised | 871,174 | 222,600 | 27,746 | |
| | | Change | -1,296 | 1,296 | 0 | |
| | Kg 000's | 2015 | Initial | 1,199,941 | 103,383 | 3,162 |
| | | | Revised | 1,242,307 | 146,189 | 3,162 |
| | | | Change | -42,366 | 42,806 | 0 |
| | | 2016 | Initial | 1,782,068 | 128,303 | 6,457 |
| | | | Revised | 1,746,576 | 164,378 | 6,457 |
| | | | Change | -35,492 | 36,075 | 0 |
| | | 2017 | Initial | 1,720,566 | 161,020 | 3,877 |
| | | | Revised | 1,700,311 | 181,275 | 3,877 |
| | | | Change | -20,255 | 20,255 | 0 |
| 2018 | | Initial | 1,534,812 | 158,112 | 11,686 | |
| | | Revised | 1,526,367 | 166,532 | 11,686 | |
| | | Change | -8,445 | 8,420 | 0 | |
| 2019 | Initial | 1,358,050 | 219,246 | 92,075 | | |
| | Revised | 1,356,547 | 220,749 | 36,608 | | |
| | Change | -1,503 | 1,503 | -55,467 | | |

Data source: HMRC, 2015-19 HMRC import volume data. Initial: June 2021. Revised: November 2021.



Annex 2 – TRQ calculation methodology

TRQs for those categories within the measure extended in June 2021 are based on import volumes in the last three representative years: 2017 to 2019. This timeframe was also used to identify developing countries to be deemed exempt from a safeguarding measure.

The TRQs for the transitioned measure applicable between 1 January and 30 June 2021 were calculated by DIT on the basis of 2015 to 2017 average import volumes following the methodology applied by the EU.

Where 2017-2019 data led to the conclusion that a more restrictive measure should be imposed, which is not permitted, the TRA will maintain the existing measure (i.e. maintain DIT quotas).²

WTO law obliges members to ensure that safeguard quotas become less restrictive with time. A 3% liberalisation rate is applied for year one of the TRQ (Q3 2021 – Q2 2022). There is a further 3% liberalisation for each year of the TRQ. This maintains the liberalisation rate used by the European Commission.

Because the quotas are managed quarterly, annual quotas are divided into quarters using the number of days in that quarter.

The TRQs calculations do not include imports data from countries with an FTA.³

Developing countries with a 2017-2019 average import share of more than three per cent of the UK's total imports, or with import shares that collectively accounted for more than nine per cent in a product category, were deemed to be non-exempt from the safeguard measure in this product category.⁴ Note that if developing countries were exempt from the measure, their import volumes are still counted towards the quota totals.

Where within a product category a country's 2017-2019 average import share exceeded 5%, it is allocated the same share of the quota in this product category (**country-specific quota allocation**). Trade flows from countries who export smaller amounts to the UK are maintained by allowing these countries access to a **residual quota**. The residual quota is based on the average of the remaining imports over the last three representative years.

² HMRC import data revisions went back to 2015. As a result, TRA also recalculated DIT quotas for the product categories affected.

³ Antigua and Barbuda, Barbados, Belize, The Commonwealth of the Bahamas, The Commonwealth of Dominica, Grenada, The Republic of Guyana, Jamaica, Saint Christopher (Kitts) and Nevis, Saint Lucia, Saint Vincent and the Grenadines, The Republic of Trinidad and Tobago, Cote D'Ivoire, Kenya, Botswana, Eswatini, Lesotho, Namibia, South Africa, and Mozambique.

⁴ In accordance with regulation 46(7) of the Safeguard Regulations 2019.



Annex 3 – Timeline

| Milestone | Dates (2022) |
|--|---------------------|
| Initiation | 4 February |
| Registration period begins | 4 February |
| Commenting period begins | 4 February |
| Registration period ends | 11 February |
| Commenting period ends | 18 February |
| TRA consult Secretary of State on TRQ Review outcome | 21 February |
| TRA recommendation to Secretary of State | 28 February |



Annex 4 – Confidentiality

If your submission to this review contains information you wish to be kept confidential you will need to submit a confidential version and a non-confidential version of each relevant document.

Please ensure that each page of information you provide is clearly marked either 'Confidential' or 'Non-Confidential' in the header.

It is your responsibility to ensure that the non-confidential version does not contain any confidential information.

Non-confidential versions should be the same as the substantive confidential version, with only confidential details redacted.

Each redaction should be replaced by either: i) a substantive summary that would give the reader an understanding of how the confidential information would have supported any points or arguments being made; or ii) the reasons why such a summary could not be provided.

'Confidential' in this context includes personal details that can be attached to any named individual – including names, contact details, and signatures. **None of these should be included in the non-confidential version.**

Further information can also be found at the following link:

<https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#how-we-handle-confidential-information>

All information provided to the Trade Remedies Authority (TRA) in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 17 of the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019) and will be stored in protected systems.

The non-confidential version of your submission will be placed on the public file, which is available on www.trade-remedies.service.gov.uk/public/cases.