



Tariff Rate Quota Review of Developing Country Exception

Case SM0016

Recommendation to the Secretary of State

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A Introduction

A1 Purpose

1. On 28 February 2022, under regulation 35B of the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019 (as

amended)¹ (the Safeguard Regulations), the Trade Remedies Authority (TRA) initiated a review of the tariff rate quota (TRQ) allocations made as a result of the earlier transition review of safeguard measures on certain steel products (TF0006 –‘the transition review’).

2. Details of the existing measure are set out in [Trade remedies notice 2021/01: safeguard measure: tariff-rate quota on steel goods](#) (updated 22 March 2022), published by the Secretary of State for International Trade (the Secretary of State) on 30 June 2021 and with effect from 1 July 2021.
3. This review concerns the TRQs on imports of certain steel products as set out in Trade Remedies Notice 2021/01 and Trade Remedies Notice 2021/03.
4. Regulation 43 of the Safeguard Regulations provides an exception from a safeguarding measure for a developing country member of the WTO whose individual share of total imports into the UK of the goods concerned does not exceed 3% (‘low volume exporters’), as long as the collective share of all low volume exporters of total import into the UK of the goods concerned does not exceed 9%.
5. The TRA can undertake a review of TRQs where there is information to show there may have been a change in circumstances since the application of the TRQ.
6. The changes in circumstance under consideration in this review are:
 - a. whether imports from a developing country member of the WTO which have been excepted from the application of the TRQ should no longer be excepted under regulation 43; and
 - b. whether imports from a developing country member of the WTO which have not been excepted from the application of the TRQ should be excepted under regulation 43.
7. Regulation 44 of the Safeguard Regulations also provides an exception from the application of a safeguard measure to certain countries which have a Free Trade Agreement (FTA) with the UK. This removes imports from those countries from the scope of the steel safeguards measures. The partner countries with such FTA provisions are listed in Annex 1.
8. The Period of Investigation (POI) for the review to assess the change in circumstances was 1 July 2021 to 31 December 2021.
9. This document sets out the essential facts on which the TRA has based its recommendation. It should be read in conjunction with other public documents available for this case on the public file.²
10. For further information about our investigations, please see our [public guidance](#).

A2 Legal framework

11. This Recommendation is made pursuant to regulation 37(1) of the Safeguard Regulations. It includes:
 - a. a description of the goods to which this Recommendation relates;

¹ Statutory instrument 2019/449.

² [Trade remedies \(trade-remedies.service.gov.uk\)](#)

- b. the reasons for this recommendation;
- c. the recommended period for which the definitive safeguarding remedy should be applicable;
- d. information which we consider is likely to be relevant to the Secretary of State's decision as to whether it would not be in the public interest to accept the this Recommendation;
- e. any other information which we consider relevant.

A3 Background

- 14. On 1 October 2020, the TRA³ published a [Notice of Initiation](#)⁴ for a transition review of the EU safeguard measure on certain categories of steel products under regulation 49 of the Safeguard Regulations.
- 15. On 3 June 2021, the TRA made a [Recommendation](#) to the Secretary of State for International Trade at the conclusion of its transition review.⁵
- 16. Details of the existing measure are set out in [Trade remedies notice 2021/01: safeguard measure: tariff-rate quota on steel goods](#) (updated 22 March 2022) and [Trade remedies notice 2021/03: safeguard measure: tariff-rate quota on steel goods](#), published by the Secretary of State on 30 June 2021 and with effect from 1 July 2021.
- 17. On 7 September 2021, the TRA initiated a reconsideration of its Recommendation to the Secretary of State (see paragraph 15 above) at the conclusion of the transition review.
- 18. On 2 March 2022, the Trade Remedies (Review and Reconsideration of Transitioned Trade Remedies) Regulations 2022⁶ (the Call-in Regulations 2022) came into force which gave the Secretary of State the ability to 'call in' transition reviews and related reconsiderations conducted by the TRA.
- 19. On 22 March 2022, the Secretary of State called-in the TRA's reconsideration of the transition review and directed the TRA to provide a Report of Findings based on specified assessments.
- 20. The TRA Report of Findings under call-in will take into account the same data and TRQ calculation methodology set out in this Statement.

B Review process

B1 Overview

³ Until June 2021, the UK's trade remedies investigations functions were carried out by the Trade Remedies Investigations Directorate (TRID) as part of the UK Department for International Trade (DIT). On 1 June 2021, the Trade Remedies Authority (TRA) was established as an executive non-departmental government body sponsored by DIT. In this document 'the TRA' is used to cover all of our activities both before and after our establishment as the TRA.

⁴ TF0006 Notice of Initiation, <https://www.trade-remedies.service.gov.uk/public/case/TF0006/submission/14270a3f-6d2b-4871-bf15-e65b9198564a/>

⁵ TF0006 Final Recommendation, <https://www.trade-remedies.service.gov.uk/public/case/TF0006/submission/187acc2-e0e6-40b7-8d2f-fdc9b10d536d/>

⁶ Statutory instrument No. 2022/113.

21. This TRQ review examined the period from 1 July 2021 to 31 December 2021 to establish if countries have exceeded the individual 3% and collective 9% thresholds which determine if a developing country is subject to the safeguard measure.
22. TRQs are intended to maintain traditional trade flows. During the transition review the TRA used data from the years 2017 to 2019, which at the time the TRA considered the last three representative years for trade flows given the impact of the COVID-19 pandemic on international trade, to determine traditional trade flows for the calculation of TRQs.
23. For this TRQ review the TRA continued to use the representative period from 2017 to 2019 to establish the traditional trade flows. We also used recent import data to identify whether there has been a change in circumstances since the period from 2017 to 2019, notably any change in the pattern of imports from relevant countries. The existing TRQs already account for all developing countries' import volumes, whether the developing country is subject to the measure or not. However, they do not include the import volumes of those developing countries who were exempt from the safeguard measure under regulation 44 (Other exception) of the Safeguard Regulations, where a country with an FTA/Economic Partnership Agreement (EPA) has a global safeguard exception clause.

B2 Applications and initiation

24. Applications were received from Tata Steel UK Limited (a UK producer) and UK Steel (a Trade Association) on 25 January 2022 and 4 February 2022 respectively. Each provided information which was sufficient to indicate there had been a change in circumstances since the application of the TRQ measure.
25. The applications provided information to indicate that some developing countries had increased their exports of goods subject to the UK safeguard measure into the UK thereby breaching the individual 3% import share thresholds.
26. The applications contained sufficient information indicating there had been a change in circumstances to justify the initiation of a TRQ Review. The review was initiated by the TRA on 28 February 2022, and a Notice of Initiation was published on that date (see paragraph 14).
27. The TRA invited interested parties to register and provide submissions to the review. The submissions received are outlined in section D1.2.

B3 Scope

B3.1 Countries

28. 'Developing countries' are listed in the [Trade remedies notice 2021/01: safeguard measure: tariff-rate quota on steel goods \(updated 22 March 2022\)](#) and [Trade remedies notice 2021/03: safeguard measure: tariff-rate quota on steel goods](#).
29. Developing countries considered in this TRQ review are listed in Annex 2.

B3.2 Goods Subject to Review

30. 'Goods Subject to Review' are defined in regulation 2 of the Safeguard Regulations as 'the goods described in the notice of initiation of a review'.
31. The Goods Subject to Review in this TRQ review are listed in Annex 3.

B4 Change in circumstances

32. The TRA is required to establish if there has been a change in circumstance since the application of the measure (regulation 35B(1) of the Safeguards Regulations).
33. A change in circumstance may, among other things, be:
 - whether imports from a developing country member of the WTO have passed either above or below relevant market share thresholds compared to their position when the TRQs were applied such that they should be treated differently under regulation 43 of the Safeguard Regulations (developing country exception); and
 - whether the status of any countries exempted from the safeguard measure under regulation 44 of the Safeguard Regulations (FTA exemption) has changed since the TRQs were applied.
34. The TRA has concluded on the basis of the facts considered in Section C that circumstances have changed and that as a result, and pursuant to the Safeguard Regulations, the TRQs should be revised to both update the list of countries excepted as low volume exporter developing countries under regulation 43 and to take account of changes in the list of countries that benefit from FTA exemptions under regulation 44.

B5 Methodology

B5.1 Current TRQs

35. DIT calculated the TRQs for the transitioned measure (applicable between 1 January 2021 and 30 June 2021) based on 2015 to 2017 average import volumes, following the methodology applied by the EU.
36. The TRQs calculated during the transition review (which have applied since 1 July 2021) were based on average import volumes during the calendar years 2017 to 2019.
37. The TRA may not recommend a more restrictive measure (see paragraph 21(9)(a) and (c) of Schedule 5 to the Taxation (Cross-Border Trade) Act 2018). Where 2017 to 2019 data led to the conclusion that a more restrictive measure (than the transitioned safeguard measure) would otherwise have been imposed, the TRA recommended maintaining the then-existing allocation as set by DIT. However, country-specific quota allocations were based on 2017 to 2019 average import volumes, even if quota amounts are based on 2015 to 2017 import data.

B5.2 Establishing FTA/EPA exemptions

38. Since the transition review was initiated three EPAs, which had included a clause for members to be excluded from safeguard measures, have expired. The developing

countries which were party to an agreement which has since expired are listed in table 1.

Table 1: EPAs and the relevant members and date of expiry of clause for multilateral safeguard exception

EPA	Country	Date of expiry
UK-Côte d'Ivoire Stepping Stone Economic Partnership Agreement	Cote d'Ivoire	03/09/21
UK/Ghana: Interim Trade Partnership Agreement [CS Ghana No.1/2021]	Ghana	14/12/21
Southern African Customs Union and Mozambique (SACUM)/UK EPA	Botswana	10/10/21
SACUM/UK EPA	Eswatini	10/10/21
SACUM/UK EPA	Lesotho	10/10/21
SACUM/UK EPA	Namibia	10/10/21
SACUM/UK EPA	Republic of South Africa	10/10/21

39. These countries are no longer excluded from the UK safeguard measure on this basis and are subject to the same consideration as the other developing countries. There are no further changes of status regarding FTA exemptions under Regulation 44 of the Safeguard Regulations.
40. Total quota amounts were updated to reflect the import volumes from these countries during 2015 to 2017 or 2017 to 2019 (depending on whether the current TRQ amount is based on DIT or TRA measure). Country-specific quota allocations were also updated in order to include the import volumes from 2017 to 2019.

B5.3 Import shares

41. For each product category, we examined the period from 1 July 2021 to 31 December 2021 to determine the import shares of each developing country without a trade agreement and listed in Annex 2.
42. For countries with an expired FTA, we only considered imports starting in the month when the agreement expired. For example, for the Southern African Customs Union countries we accounted for imports into the UK from 1 October 2021 to 31 December 2021.
43. For those countries whose import shares for the period 1 July 2021 to 31 December 2021 do not exceed 3% for a product category, we assessed whether the collective imports exceeded 9% for the product category.
44. The collective sum of import shares did not exceed 9% in any of the product categories.
45. All of the countries with an expired FTA remain excepted due to low import volumes.
46. Annex 4 lists the developing countries that should be subject to the safeguard measure by product category as their import shares exceed 3% for the product concerned during the POI.

B5.4 Country specific TRQs

47. Where a developing country is found to have an import share greater than 3% during the POI we considered whether a country specific quota is appropriate by assessing the 2017 to 2019 average import share in line with other countries subject to the safeguard measure. If this share exceeds 5%, a country-specific TRQ is proposed. Otherwise, the country should have access to the residual quota.
48. We have listed proposed changes to allocations of developing countries in Annex 5.

B6 Statement of Intended Final Determination

49. The TRA published a Statement of Intended Final Determination (SIFD) on 23 June 2022 pursuant to regulation 29 of the Safeguard Regulations. The SIFD includes:
 - the determination that the TRA intends to make;
 - a summary of the facts considered during the review; and
 - details of the facts and analysis forming the basis of the intended determination.
50. Interested parties were invited to make submissions within 6 days of the initial publication (by 29 June 2022).
51. The SIFD was updated twice on 27 June 2022 to Version 2 and Version 2.1 and once on 28 June to v2.2.
52. The final updated version includes corrections to Annex 5 (Proposed changes to developing countries allocations) which was updated to add two countries against category 4 and update supporting text and to Annex 6 (Tariff Rate Quotas) regarding quotas for categories 2 and 17.
53. The changes were identified in the updated SIFD with a corrigendum, the updated figures were identified *in situ*, and a summary given of changes, including the original figures. Notices were placed on TRS informing interested parties of the amendments and inviting those parties to comment during the remainder of the period for comments.⁷
54. We received submissions as set out in section C2.3.

C Summary of facts considered

C1 HMRC data

55. We have used import data from HMRC to analyse trade flows in this TRQ review.
56. The data used in the original transition review was routinely published import data based on country of dispatch.
57. The dataset used in this TRQ review additionally uses country of origin for imports dispatched from non-EU countries and country of dispatch for imports dispatched from

⁷ SIFD update Note to File, <https://www.trade-remedies.service.gov.uk/public/case/SM0016/submission/7abe18ea-fd24-456d-9aaa-d3490623507e/>

EU countries (there is no country of origin available for EU imports pre-2022). This data is not routinely published by HMRC but is available on request.

58. While the differences in datasets are usually small some TRQ allocations were changed as a result:
- Vietnam in product category 4: analysis conducted in the transition review showed that Vietnam did not pass the 3% threshold. However, using the adapted approach including country of origin HMRC import data, the 3% threshold has been passed and the country should have access to the residual quota.
 - Turkey in product category 4 currently has access to the residual quota on the basis of country of dispatch data; however, using the country of origin data set, the average import share from 2017 to 2019 is above 5% and as a result the country should have a country-specific quota allocated.
 - Malaysia and Indonesia in product category 25A: in the transition review these countries were allocated a country-specific quota. However, the country of origin data set shows that these products originated from other countries. Malaysia and Indonesia show little or no market share under the country of origin data set and should therefore be excepted from the safeguard measure.
59. Proposed changes to the allocations of these three countries are a result of using a different dataset rather than the developing country TRQ review.

C2 Stakeholder inputs

C2.1 Registrations

60. We considered the claims of registered parties holistically and with special circumspection when assessing whether there has been a change of circumstances since the application of the TRQs.
61. The following parties registered an interest in this TRQ review:
- Celsa Steel (UK) – a UK producer;
 - Tata Steel UK – a UK producer;
 - British Steel – a UK producer;
 - All Steels Trading – A UK importer;
 - Hadley Industries – A UK importer;
 - Borcelik Celik Sanayii Ticaret A.S. – Exporter;
 - EEF– a trade body;
 - SOGAD – a trade body;
 - Community – Contributor;
 - Scottish government – Contributor;
 - European Commission – Contributor;
 - Embassy of Switzerland in the UK – Government of a relevant foreign country or territory;
 - Embassy of Brazil in London – Government of a relevant foreign country or territory; and
 - Ministry of Trade of Republic of Turkey – Government of a relevant foreign country or territory.

62. The TRA has discretion to accept and take into account information supplied outside an applicable time limit where it is appropriate do so. Although some parties finalised their registration after the close of the registration period on 15 March 2022, we accepted the registrations of all the parties above. This was because all parties provided sufficient confidentiality-compliant versions of their registration forms and their registrations did not impede the progress of the review.
63. In addition to their registration forms Community, TSUK, and the Brazilian Government made additional submissions.

C2.2 Submissions

64. The non-confidential versions of all the submissions to this review can be found on the public file [here](#).⁸

C2.2.1 UK Steel

	Comment	TRA consideration
1	The UK Steel application was based on full year 2021 import data. Since the review period is now only the second half of 2021, our analysis indicates that several [listed] countries/products should no longer be exempt from the UK's steel safeguards as their import share exceeds the 3% threshold.	The TRA notes this position and has initiated this TRQ Review in order to assess the underlying HMRC trade data and recommend any appropriate revisions to the list of low volume exporter developing countries excepted from the safeguard measure.
2	There are industry concerns that certain imports of steel sections from India are being incorrectly allocated to tariff codes. This is an HMRC matter.	The TRA notes this advice. As UK Steel have noted this is not a matter the TRA can address.

C2.2.2 British Steel

	Comment	TRA consideration
1	We have seen an increase in imports of structural sections (category 17) from India over the previous year. The increase in imports from India have also been at below market prices which has caused disruption to the wider pricing policy and market sentiment. As India has significant steelmaking capacity and a well-developed domestic market we believe they should not be exempt from the UK's steel safeguards as their import share exceeds the 3% threshold.	The TRA notes this position and has initiated this TRQ Review in order to assess the underlying HMRC trade data and recommend any appropriate revisions to the list of low volume exporter developing countries excepted from the safeguard measure.
2	British Steel is concerned that certain imports of steel sections from India are being incorrectly allocated to tariff codes. This is an HMRC matter.	The TRA notes this concern. As British Steel have noted this is not a matter the TRA can address.

⁸ <https://www.trade-remedies.service.gov.uk/public/case/SM0016/>

C2.2.3 Celsa Steel

	Comment	TRA consideration
1	<p>In recent months the safeguard measures seem to have been circumvented by deliveries coming from new entrants to the market under the guise of developing country exemption. These deliveries do not fall under the safeguard regime and can therefore add to the size of the overall market.</p> <p>In our product areas, some 'developing countries' have production capability far in excess of the total size of the UK market and could therefore pose a threat to the stability of the UK market. CELSA Steel UK suggests there should be an immediate review of the developing country status for all products under the steel safeguards measures in order to prevent the distortion of trade flows and the undermining of the safeguards system.</p> <p>Imports of rebar (cat 13) from India in the POI represent some 8% of total imports. On wire rod (cat 16), imports from Turkey represent 4% of total imports during the POI. Accordingly, as the threshold of 3% has been exceeded, the developing country status for these countries on these products should be withdrawn.</p>	<p>The TRA notes this position and has initiated this TRQ Review in order to assess the underlying HMRC trade data and recommend any appropriate revisions to the list of low volume exporter developing countries excepted from the safeguard measure.</p>

C2.2.4 All Steel Trading Ltd

	Comment	TRA consideration
1	<p>Quotas will impact both availability and price levels for us. Given the lead time on placing contracts, manufacturing, shipping and receiving supply, we need to be aware of the governments decision at the earliest available stage.</p>	<p>The TRA notes this interest and that All Steel Trading Limited have registered on the Trade Remedies Service (TRS) and so should receive case updates as they are published.</p>

C2.2.5 Hadley Industries

	Comment	TRA consideration
1	<p>Hadley Industries relies on a readily available source of Metallic Coated Sheet (Cat 4) which is then processed (Cold Section Rolled) and then predominantly supplied into the UK construction sector.</p> <p>The Metallic Coated Sheet used by the Hadley Group has mainly been sourced via imports, with a small amount from the EU, but predominantly from elsewhere (Turkey/India/Vietnam/S Korea/Taiwan etc). Hence any change that could impact availability of material (Cat 4) is of interest.</p>	<p>The TRA notes this interest and that Hadley Industries have registered on the TRS and so should receive case updates as they are published.</p>

2	<p>This investigation cannot be seen in isolation and needs to form part of TF0006. With the full import picture taken into account, prior to any decisions being made</p> <p>Vietnamese Metallic Coated Sheet (Cat 4) has been seen as a safe option for importers into the UK as the 25% tariff would not apply.</p> <p>For imports of Cat 4 steel from most other countries importers have no idea as to whether the quota will be exceeded at the time the material is contracted/purchased (up to 5 months prior to arrival into the UK).</p> <p>The quota allocation for Cat4 needs to be considered in its entirety and with tonnes being reallocated to markets supplying the UK in 2021/2022. The Vietnamese issue needs to be taken into account during that reallocation process.</p>	<p>The TRA notes this point.</p> <p>This TRQ Review is an evidence-driven exercise based solely on HMRC data.</p> <p>As such this TRQ Review has been undertaken separately from the Safeguards Transition Review (TF0006) and related reconsideration which has recently concluded in a Report of Findings to the Secretary of State.</p> <p>Given the co-incidence of the processes the TRA has however ensured that our recommendations and findings in related steel safeguards cases align.</p>
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C2.2.6 Tata Steel UK (TSUK)

	Comment	TRA consideration
1	<p>Rapidly increased imports from certain developing countries have caused a significant negative impact on our operations in the domestic market. The most illustrative examples are product categories 1 (Non-alloy and other alloy hot-rolled sheet and strip) and 4 (Metallic coated sheet).</p> <p>Since early 2021, certain developing countries exempted from the measures have been taking advantage of their position and exporting extraordinary volumes of these products - confirmed by the official import data. Combined with low prices, such imports have been suppressing UK market prices and our operations more generally, which undermines the purpose of the existing TRQ regime and of the safeguard measures at large.</p>	<p>The TRA notes this position and has initiated this TRQ Review in order to assess the underlying HMRC trade data and recommend any appropriate revisions to the list of low volume exporter developing countries excepted from the safeguard measure.</p>
2	<p>We expect several further spikes in imports in the coming months due to market conditions in other countries. Even if imports continue at same pace, let alone grow, it may cause irreparable damage to the UK industry. The current situation calls for a prompt and effective change in the TRQ regime.</p>	<p>The TRA notes this concern.</p> <p>This TRQ Review is an evidence-driven exercise based solely on HMRC data.</p> <p>The operation of the developing countries exception from a safeguard measure under regulation 43 of the Safeguard Regulations 2019 is based on evidence of import volumes as a percentage of market share compared against set thresholds.</p> <p>As such the TRA does not take into account predictions of future trade flows when considering which developing countries should be excepted from the safeguard measure.</p>
3	<p>We request the list of developing countries exempted from the measures be amended based on the latest import trends before the</p>	<p>This TRQ Review has been undertaken in as timely a manner as possible alongside several related steel</p>

<p>beginning of the next quota period on 1 April; and alternatively, to ensure that any changes adopted by the TRA and the Secretary of State enter into force immediately in the course of the next quota period instead of the following quota period commencing on 1 July.</p>	<p>safeguard cases and taking onto account time and resource constraints.</p>
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C2.2.7 Embassy of Brazil

	Comment	TRA consideration
1	<p>According to UK's trade data, there has been no exports from Brazil in category 7 in 2021. For category 2, UK's trade data shows that Brazilian exports represented no more than 0.18% in terms of value or 0.08% in terms of volume of total UK imports in 2021.</p> <p>Brazil respectfully requests that TRA exclude Brazilian exports from the application of the safeguard measure in categories 2 and 7, in accordance with Article 9.1 of the WTO Agreement on Safeguards. Brazil also requests to continue exempted from the remaining categories, under which its exports are still under the "de minimis" threshold.</p>	<p>The TRA notes this position and has initiated this TRQ Review in order to assess the underlying HMRC trade data and recommend any appropriate revisions to the list of low volume exporter developing countries excepted from the safeguard measure.</p>

C2.2.8 Community

	Comment	TRA consideration
1	<p>In 2021 we saw a surge of imports of certain steel products from India, Vietnam, and Ukraine.</p> <p>It is essential that the volumes of imports are reviewed regularly to ensure that once the 3% threshold is reached, tariffs are applied. It appears that the failsafe mechanism designed to allow the TRA to challenge exemptions for developing countries when imports do rise has not been effective. Whilst the TRA is supposed to monitor available imports and respond to changes in trade patterns this does not appear to have happened. This is deeply worrying given the importance of these measures in protecting our domestic industry and our members jobs.</p>	<p>The TRA notes this position and has initiated this TRQ Review in order to assess the underlying HMRC trade data and recommend any appropriate revisions to the list of low volume exporter developing countries excepted from the safeguard measure.</p>

C2.3 SIFD comments

65. The non-confidential versions of the submissions in response to the SIFD are pending on the public file but are summarised below.

C2.3.1 Ronly Limited

	Comment	TRA consideration
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1	We ask that any material shipped prior to TRAs announcement be free from any import duty	<p>The TRA notes this concern. This is not a matter the TRA can address.</p> <p>This TRQ Review is an evidence-driven exercise based solely on HMRC data. The operation of the developing countries exception from a safeguard measure under regulation 43 of the Safeguard Regulations 2019 is based on evidence of import volumes as a percentage of market share compared against set thresholds.</p>
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C2.3.2 Thames Reinforcements

	Comment	TRA consideration
1	<p>In 2021 the domestic market were unable to provide all diameters of rebar in coil. The European market were unable to supply significant quantities of rebar in coil due to one major exporter upgrading their rolling line. The shortfall in Domestic and European availability was made up by imports from a developing country. There is one producer of rebar in coil from Turkey and therefore developing country status poses no threat to the domestic market.</p> <p>For the above reasons the developing country status should remain for Turkey in Cat 16.</p>	<p>The TRA notes this position and has initiated this TRQ Review in order to assess the underlying HMRC trade data and recommend any appropriate revisions to the list of low volume exporter developing countries excepted from the safeguard measure.</p> <p>This TRQ Review is an evidence-driven exercise based solely on HMRC data. The operation of the developing countries exception from a safeguard measure under regulation 43 of the Safeguard Regulations 2019 is based on evidence of import volumes as a percentage of market share compared against set thresholds.</p>

C2.3.3 M7 Metals

	Comment	TRA consideration
1	<p>The recent intended determination will severely impact our UK customers as they will not be able to import rebar in coil from Turkey, due to the miniscule quota, and will be forced to import lower quality material for the EU instead, as the UK steel mills do not produce sufficient volumes to supply the UK market. A viable size for an imported cargo is minimum 3.5kmt, which is more than the entire non-EU category 16 quota.</p>	<p>The TRA notes this position and has initiated this TRQ Review in order to assess the underlying HMRC trade data and recommend any appropriate revisions to the list of low volume exporter developing countries excepted from the safeguard measure.</p> <p>This TRQ Review is an evidence-driven exercise based solely on HMRC data. The operation of the developing countries exception from a safeguard measure under regulation 43 of the Safeguard Regulations 2019 is based on evidence of import volumes as a percentage of market share compared against set thresholds.</p>

C2.3.4 Turkish Steel Exporters Association

	Comment	TRA consideration
1	<p>CIB believes that the safeguard measure imposed by the UK on imports of certain steel products is also inconsistent with Article XIX:1 (a) of the GATT 1994 and should be immediately terminated.</p>	<p>It is not within the scope of this review to consider whether safeguard measures should be suspended.</p>
2	<p>Article 5.1 of the agreement on Safeguards establishes an obligation to examine the imports of last three representative years to apply a</p>	<p>The POI for this TRQ Review was set at the time of initiation to cover the full period for which HMRC trade data was available since application of the safeguard</p>

	quantitative restriction CIB believes that while a tariff quote level is required to be determined based on trade flows of previous three years, an exemption from this tariff quota is also required to be determined considering the traditional trade flows. CIB does not understand why the TRA examined only a 6 month period at this time to establish which developing countries are below 3 per cent share. CIB requests that TRA expands the time period that is used to identify the developing countries deemed exempt from the safeguard measure.	measure on 1 July 2021. That data covers the period from 1 July 2021 to 31 December 2021.
3	CIB believes calculating a developing country share in total imports which is realized in such a short period of time cannot demonstrate presence of a change in circumstances. To make sure that circumstances have certainly changed, a broader period should be used.	The TRA has considered the data and concluded a change in circumstances as set out in section B4.
4	To apply a safeguard measure unforeseen developments should result in increase in imports, absolute or relative to domestic production. Obviously, there is neither unforeseen development nor absolute or relative increase in imports. Therefore, the measure imposed on product 16 should be revoked in line with the TRA's recommendation made to the SoS. In fact, a measure which is inconsistent with the UK's obligation under the Agreement on Safeguard can not serve to the best interest of the UK public.	It is not within the scope of this review to consider whether safeguard measures should be suspended.
5	Turkey continues to be a reliable trading partner even through substantial supply chain disruptions caused by challenges relating to the COVID-19 pandemic. World steel consumers face a new and potentially more substantial supply challenge now with respect to Russia-Ukraine war are concerned as both these countries are significant producers of steel products. Therefore, CIB submits that it would be in the interest of UK consumers to restrict or limit sourcing from an important and reliable trading partners such as Turkey.	The TRA notes this point. This TRQ Review is an evidence-driven exercise based solely on HMRC data. The operation of the developing countries exception from a safeguard measure under regulation 43 of the Safeguard Regulations 2019 is based on evidence of import volumes as a percentage of market share compared against set thresholds.

D TRA's Recommendation to the Secretary of State

66. The TRA recommend that the developing countries whose status as either subject to or excepted from the safeguard measure, and resulting TRQ allocations, should be varied.
67. Resulting TRQ allocations are shown in Annex 6. TRQs should be varied consistent with these allocations from the day after the date of publication of the public notice giving effect to the recommendation. If the public notice is not published before the beginning of the last day of the current quarter, it should not include any allocation for the current quarter.

68. We make this recommendation as a result of the change of circumstances set out in section B4 and our consideration of the facts summarised in section C.
69. This recommendation is not materially changed from our final (amended) statement of intended final determination.⁹
70. The varied measure should take effect on the day after the date of publication of any public notice made under section 13 of the Taxation (Cross-border Trade) Act 2018 giving effect to this recommendation and according to the TRQ periods set out in Annex 6.
71. We do not recommend retroactive application of varied TRQs.
72. Annex 5 sets out the key proposed changes.
73. Twelve countries which account for less than 3% of imports in a given category should become excepted. Their existing quotas should be reallocated to the residual quota.
74. Five countries should become subject to the safeguard measure via access to the residual quota, in one or more categories. These countries are: India (categories 1, 5, 13, and 17), Tunisia (category 2), Vietnam (category 5), Turkey (category 16), and Ukraine (category 16).
75. Annex 4 fully lists the developing countries which should not be excepted from the safeguard measure on certain product categories as their import shares exceed the 3% threshold.

E Public interest considerations

76. The TRA has found no significant considerations to report relevant to the Secretary of State's decision as to whether it would not be in the public interest to accept the TRA's recommendation to revise the TRQs as set out in section D.

⁹ <https://www.trade-remedies.service.gov.uk/public/case/SM0016/submission/1e361ad7-80d4-4661-b665-14d0677308b3/>

Annex 1 FTA partners with a safeguard exclusion

FTA	Country
CARIFORUM-UK Economic Partnership Agreement	Antigua and Barbuda Barbados Belize The Commonwealth of the Bahamas The Commonwealth of Dominica The Dominican Republic Grenada The Republic of Guyana Jamaica Saint Christopher (Kitts) and Nevis Saint Lucia Saint Vincent and the Grenadines The Republic of Trinidad and Tobago
UK-Kenya Economic Partnership Agreement	Kenya
UK/SACU and Mozambique (SACUM) Economic Partnership Agreement	Mozambique

Annex 2 Developing countries

Afghanistan, Albania, Angola, Antigua and Barbuda, Argentina, Armenia, Bahrain, Bangladesh, Barbados, Belize, Benin, Bolivia, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cabo Verde, Cambodia, Cameroon, Central African Republic, Chad, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Eswatini, Fiji, Gabon, Gambia, Georgia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hong Kong, India, Indonesia, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyz Republic, Lao People's Democratic Republic, Lesotho, Liberia, Macao, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Solomon Islands, South Africa, Sri Lanka, Suriname, Tajikistan, Tanzania, Thailand, Former Yugoslav Republic of Macedonia, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, Uruguay, Vanuatu, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe.

Annex 3 Goods subject to review

Product Category		Commodity Codes
1	Non-alloy and other alloy hot-rolled sheet and strip	72081000, 72082500, 72082600, 72082700, 72083600, 72083700, 72083800, 72083900, 72084000, 72085210, 72085299, 72085310, 72085390, 72085400, 72111300, 72111400, 72111900, 72126000, 72251910, 72253010, 72253030, 72253090, 72254015, 72254090, 72261910, 72269120, 72269191, 72269199
2	Non-alloy and other alloy cold-rolled sheet	72091500, 72091690, 72091790, 72091891, 72092500, 72092690, 72092790, 72092890, 72099020, 72099080, 72112320, 72112330, 72112380, 72112900, 72119020, 72119080, 72255020, 72255080, 72262000, 72269200
4	Metallic coated sheet	72102000, 72104100, 72104900, 72106100, 7210690020, 7210690080, 72109080, 72122000, 72123000, 72125020, 72125030, 72125040, 72125061, 72125069, 72125090, 72259100, 72259200, 72259900, 72269910, 72269930, 72269970
5	Organic coated sheet	72107080, 72124080
6	Tin mill products	72091899, 72105000, 72121090, 72101100, 72107010, 72124020, 72101220, 72109040, 72101280, 72121010
7	Non-alloy and other alloy quarto plates	72085120, 72089020, 72254040, 72085191, 72089080, 72254060, 72085198, 72109030, 72085291, 72254012
12A	Alloy merchant bars and light sections	72283020, 72283041, 72283061, 72283069, 72283070, 72283089, 72286020, 72287010
12B	Non-alloy merchant bars and light sections	72143000, 72149110, 72149190, 72149931, 72149939, 72149950, 72149971, 72149979, 72149995, 72159000, 72161000, 72162100, 72162200, 72164010, 72164090, 72165010, 72165091, 72165099, 72169900
13	Rebar	72142000, 72149910
16	Non-alloy and other alloy wire rod	72131000, 72139149, 72271000, 72132000, 72139170, 72272000, 72139110, 72139190, 72279010, 72139120, 72139910, 72279050, 72139141, 72139990, 72279095
17	Angles, shapes, and sections of iron or non-alloy steel	72163110, 72163219, 72163310, 72163190, 72163291, 72163390, 72163211, 72163299
19	Railway material	73021022, 73021028, 73021050
20	Gas pipe	73063041, 73063049, 73063072, 73063077
21	Hollow section	73066110, 73066192, 73066199
25A	Large welded tube (1)	73051100, 73051200
25B	Large welded tube (2)	73051900, 73052000, 73053100, 73053900, 73059000
26	Other welded tube	73061100, 73061900, 73062100, 73062900, 73063012, 73063018, 73063080, 73064020, 73064080, 73065021, 73065029, 73065080, 73066910, 73066990, 73069000

Annex 4 Developing country non-exceptions

Product Category	Developing country non-exceptions (July-Dec 2021 import share)
1	India (24.9%), Turkey (9.2%)
2	India (12%), Ukraine (11.7%), Vietnam (8.5%), Tunisia (3.6%)
4	Vietnam (26.7%), India (10.9%), Turkey (7.6%)
5	India (10.8%), Vietnam (5%)
6	PRC (44.8%)
7	Ukraine (16.6%)
12A	n/a
12B	Turkey (29.9%)
13	Turkey (20%), India (8.5%)
16	Ukraine (12.7%), Turkey (3.2%)
17	Turkey (10.9%), India (3.2%)
19	n/a
20	Turkey (65.5%), India (15.4%), UAE (4.1%)
21	Turkey (79.4%), UAE (5.7%)
25A	n/a
25B	n/a
26	Turkey (25%), UAE (13.3%), PRC (11.1%), India (5.8%)

Annex 5 Proposed changes to developing countries allocations

Product Category	Country	Current Allocation (Import share 2017-19*)	Proposed Allocation (Import share July 2021 - December 2021)
1	India	Excepted (2.4%)	Residual (24.9%)
2	Brazil	Residual (4.4%)	Excepted (0.2%)
	Tunisia	Excepted (0.0%)	Residual (3.6%)
4	PRC	Country (7.2%)	Excepted (0.1%)
	Turkey**	Residual (5.0%)	Country (7.6%)
	India†	Residual (5.0%)	Country (10.9%)
	Vietnam‡	Excepted (3.0%)	Residual (26.7%)
5	India	Excepted (1.1%)	Residual (10.8%)
	Vietnam	Excepted (0.0%)	Residual (5.0%)
7	Brazil	Residual (3.2%)	Excepted (0.0%)
12A	PRC	Country (5.4%)	Excepted (1.7%)
	Turkey	Country (5.1%)	Excepted (0.9%)
12B	PRC	Residual (3.7%)	Excepted (0.9%)
13	India	Excepted (0.0%)	Residual (8.5%)
	Ukraine	Country (10.6%)	Excepted (1.9%)
16	Turkey	Excepted (2.9%)	Residual (3.2%)
	Ukraine	Excepted (0.7%)	Residual (12.7%)
17	India	Excepted (0.0%)	Residual (3.2%)
25A	Saudi Arabia	Country (6.7%)	Excepted (0.0%)
	Indonesia‡‡	Country (0.0%)	Excepted (0.0%)
	Malaysia‡‡	Country (0.0%)	Excepted (0.1%)
25B	Turkey	Country (6.6%)	Excepted (0.1%)
	Saudi Arabia	Residual (3.5%)	Excepted (0.0%)

* Import shares using country of origin dataset and including HMRC revisions.

** In product category 4, Turkey currently has access to the residual quota on the basis of country of dispatch data; however, using the country of origin data set, the average import share from 2017 to 2019 is above 5%.

† In product category 4, India currently has access to the residual quota; however, due to HMRC data corrections, the average import share from 2017 to 2019 is above 5%.

‡ In product category 4, Vietnam is currently excepted on the basis of country of dispatch data; however, using the country of origin data set, the average import share from 2017 to 2019 is above 3%.

‡‡ In product category 25A Indonesia and Malaysia currently have a country specific quota on the basis of country of dispatch data. However, imports were not originally from these countries and therefore they show no market share when using the country of origin dataset and become excepted.

Annex 6 Tariff Rate Quotas

Table 1: Quarterly volumes of country and residual tariff-rate quotas (in tonnes) 01/07/2021 – 30/06/2022

Product category	Country	01/07/2021	01/10/2021	01/01/2022	01/04/2022
		to 30/09/2021	to 31/12/2021	to 31/03/2022	to 30/06/2022
1	EU	171,575	171,575	167,845	169,710
	Turkey	22,527	22,527	22,038	22,283
	Taiwan	12,542	12,542	12,269	12,405
	Residual	21,585	21,585	21,116	21,351
2	EU	74,186	74,186	72,574	73,380
	South Korea	10,913	10,913	10,676	10,794
	India	9,123	9,123	8,924	9,024
	Vietnam	6,609	6,609	6,465	6,537
	Residual	16,540	16,540	16,180	16,360
4	EU	296,350	296,350	289,908	293,129
	Taiwan	30,639	30,639	29,973	30,306
	India	22,628	22,628	22,136	22,382
	Turkey	22,565	22,565	22,074	22,319
	Residual	78,253	78,253	76,552	77,403
5	EU	33,537	33,537	32,808	33,172
	South Korea	13,628	13,628	13,332	13,480
	Residual	2,037	2,037	1,993	2,015
6	EU	29,242	29,242	28,607	28,924
	PRC	7,424	7,424	7,263	7,344
	Taiwan	2,424	2,424	2,372	2,398
	South Korea	2,301	2,301	2,251	2,276
	Residual	992	992	971	981
7	EU	65,073	65,073	63,659	64,366
	Ukraine	10,156	10,156	9,936	10,046
	Residual	13,066	13,066	12,782	12,924
12A	EU	14,038	14,038	13,733	13,886
	Residual	2,019	2,019	1,975	1,997
12B	EU	32,417	32,417	31,712	32,065
	Turkey	12,201	12,201	11,936	12,069
	Residual	6,934	6,934	6,783	6,858
13	EU	68,130	68,130	66,649	67,389
	Turkey	32,276	32,276	31,575	31,926
	Residual	21,976	21,976	21,498	21,737
16	EU	68,586	68,586	67,095	67,840
	Residual	2,995	2,995	2,929	2,962
17	EU	156,164	156,164	152,769	154,467
	Residual	16,230	16,230	15,877	16,053
19	EU	4,386	4,386	4,290	4,338
	Residual	129	129	126	128

20	Turkey	14,379	14,379	14,067	14,223
	EU	6,472	6,472	6,331	6,401
	India	3,327	3,327	3,255	3,291
	UAE	2,206	2,206	2,158	2,182
	Residual	676	676	661	669
21	Turkey	34,133	34,133	33,391	33,762
	EU	10,361	10,361	10,135	10,248
	Residual	3,150	3,150	3,081	3,115
25A	Japan	7,567	7,567	7,402	7,484
	EU	5,790	5,790	5,664	5,727
	South Korea	1,157	1,157	1,131	1,144
	Residual	2,041	2,041	1,997	2,019
25B	EU	14,893	14,893	14,569	14,731
	South Korea	4,280	4,280	4,187	4,234
	Japan	1,876	1,876	1,835	1,855
	Residual	4,515	4,515	4,417	4,466
26	EU	20,863	20,863	20,409	20,636
	UAE	14,020	14,020	13,715	13,868
	Turkey	10,184	10,184	9,963	10,074
	PRC	5,358	5,358	5,241	5,299
	Residual	9,250	9,250	9,049	9,149

Table 2: Quarterly volumes of country and residual tariff-rate quotas (in tonnes) 01/07/2022 – 30/06/2023

Product category	Country	01/07/2022	01/10/2022	01/01/2023	01/04/2023
		to 30/09/2022	to 31/12/2022	to 31/03/2023	to 30/06/2023
1	EU	176,722	176,722	172,880	174,801
	Turkey	23,203	23,203	22,699	22,951
	Taiwan	12,918	12,918	12,637	12,777
	Residual	22,233	22,233	21,750	21,991
2	EU	76,412	76,412	74,751	75,581
	South Korea	11,240	11,240	10,996	11,118
	India	9,396	9,396	9,192	9,294
	Vietnam	6,807	6,807	6,659	6,733
	Residual	17,036	17,036	16,666	16,851
4	EU	305,241	305,241	298,605	301,923
	Taiwan	31,558	31,558	30,872	31,215
	India	23,307	23,307	22,801	23,054
	Turkey	23,242	23,242	22,736	22,989
	Residual	80,601	80,601	78,849	79,725
5	EU	34,543	34,543	33,792	34,167
	South Korea	14,037	14,037	13,732	13,884
	Residual	2,098	2,098	2,053	2,075
6	EU	30,120	30,120	29,465	29,792
	PRC	7,647	7,647	7,481	7,564
	Taiwan	2,497	2,497	2,443	2,470

	South Korea	2,370	2,370	2,319	2,344
	Residual	1,022	1,022	1,000	1,011
7	EU	67,025	67,025	65,568	66,297
	Ukraine	10,461	10,461	10,234	10,347
	Residual	13,458	13,458	13,165	13,312
12A	EU	14,459	14,459	14,145	14,302
	Residual	2,080	2,080	2,034	2,057
12B	EU	33,389	33,389	32,664	33,026
	Turkey	12,567	12,567	12,294	12,431
	Residual	7,142	7,142	6,986	7,064
13	EU	70,174	70,174	68,648	69,411
	Turkey	33,245	33,245	32,522	32,883
	Residual	22,635	22,635	22,143	22,389
16	EU	70,644	70,644	69,108	69,876
	Residual	3,084	3,084	3,017	3,051
17	EU	160,849	160,849	157,352	159,101
	Residual	16,716	16,716	16,353	16,535
19	EU	4,517	4,517	4,419	4,468
	Residual	133	133	130	131
20	Turkey	14,810	14,810	14,489	14,649
	EU	6,666	6,666	6,521	6,593
	India	3,427	3,427	3,352	3,390
	UAE	2,272	2,272	2,223	2,247
	Residual	696	696	681	689
21	Turkey	35,157	35,157	34,393	34,775
	EU	10,671	10,671	10,439	10,555
	Residual	3,244	3,244	3,174	3,209
25A	Japan	7,794	7,794	7,624	7,709
	EU	5,963	5,963	5,834	5,899
	South Korea	1,191	1,191	1,165	1,178
	Residual	2,102	2,102	2,057	2,079
25B	EU	15,339	15,339	15,006	15,173
	South Korea	4,409	4,409	4,313	4,361
	Japan	1,932	1,932	1,890	1,911
	Residual	4,650	4,650	4,549	4,600
26	EU	21,488	21,488	21,021	21,255
	UAE	14,441	14,441	14,127	14,284
	Turkey	10,490	10,490	10,262	10,376
	PRC	5,518	5,518	5,398	5,458
	Residual	9,528	9,528	9,320	9,424

Table 3: Quarterly volumes of country and residual tariff-rate quotas (in tonnes) 01/07/2023 – 30/06/2024

Product category	Country	01/07/2023	01/10/2023	01/01/2024	01/04/2024
		to 30/09/2023	to 31/12/2023	to 31/03/2024	to 30/06/2024
1	EU	181,526	181,526	179,553	179,553

	Turkey	23,834	23,834	23,575	23,575
	Taiwan	13,269	13,269	13,125	13,125
	Residual	22,837	22,837	22,589	22,589
2	EU	78,489	78,489	77,636	77,636
	South Korea	11,546	11,546	11,421	11,421
	India	9,652	9,652	9,547	9,547
	Vietnam	6,992	6,992	6,916	6,916
	Residual	17,499	17,499	17,309	17,309
4	EU	313,539	313,539	310,131	310,131
	Taiwan	32,416	32,416	32,063	32,063
	India	23,941	23,941	23,681	23,681
	Turkey	23,873	23,873	23,614	23,614
	Residual	82,792	82,792	81,892	81,892
5	EU	35,482	35,482	35,096	35,096
	South Korea	14,419	14,419	14,262	14,262
	Residual	2,155	2,155	2,132	2,132
6	EU	30,938	30,938	30,602	30,602
	PRC	7,855	7,855	7,769	7,769
	Taiwan	2,565	2,565	2,537	2,537
	South Korea	2,435	2,435	2,408	2,408
	Residual	1,050	1,050	1,038	1,038
7	EU	68,848	68,848	68,099	68,099
	Ukraine	10,746	10,746	10,629	10,629
	Residual	13,824	13,824	13,673	13,673
12A	EU	14,852	14,852	14,691	14,691
	Residual	2,136	2,136	2,113	2,113
12B	EU	34,297	34,297	33,924	33,924
	Turkey	12,909	12,909	12,769	12,769
	Residual	7,336	7,336	7,256	7,256
13	EU	72,081	72,081	71,298	71,298
	Turkey	34,148	34,148	33,777	33,777
	Residual	23,250	23,250	22,997	22,997
16	EU	72,564	72,564	71,775	71,775
	Residual	3,168	3,168	3,134	3,134
17	EU	165,222	165,222	163,426	163,426
	Residual	17,171	17,171	16,984	16,984
19	EU	4,640	4,640	4,590	4,590
	Residual	137	137	135	135
20	Turkey	15,213	15,213	15,048	15,048
	EU	6,847	6,847	6,773	6,773
	India	3,520	3,520	3,482	3,482
	UAE	2,334	2,334	2,308	2,308
	Residual	715	715	708	708
21	Turkey	36,113	36,113	35,721	35,721

	EU	10,962	10,962	10,842	10,842
	Residual	3,332	3,332	3,296	3,296
25A	Japan	8,006	8,006	7,918	7,918
	EU	6,126	6,126	6,059	6,059
	South Korea	1,224	1,224	1,210	1,210
	Residual	2,159	2,159	2,136	2,136
25B	EU	15,756	15,756	15,585	15,585
	South Korea	4,529	4,529	4,479	4,479
	Japan	1,984	1,984	1,963	1,963
	Residual	4,777	4,777	4,725	4,725
26	EU	22,073	22,073	21,833	21,833
	UAE	14,833	14,833	14,672	14,672
	Turkey	10,775	10,775	10,658	10,658
	PRC	5,668	5,668	5,607	5,607
	Residual	9,787	9,787	9,680	9,680