**Response to SM0016**

Developing country exemptions are a useful tool to support industry in developing countries with low volumes of imports, and to minimise red tape. The regulatory framework is however designed to curb imports that could harm domestic industry.

It is clear that some countries are abusing these exemptions and using them to flood the UK market with imports harming domestic industry.

In 2021 we saw a surge of imports of certain steel products from India, Vietnam, and Ukraine.

For example, Indian exports of hot rolled coil accounted for 19 percent of U.K. imports in the first 11 months of 2021. IN the period 2017 to 2019, it was just 2.4 percent— low enough for India to be exempt from the safeguards on this product.

Similarly, the data shows a similar pattern for Vietnamese imports of metallic coated sheets, which had been at 2.6% of total UK imports during the 2017-19 period but rose to 18.8% in 2021.

We believe that these practices are costing the UK steel industry significant amounts of money. This challenge comes at a critical time for our members as the UK steel industry must remain profitable in order to facilitate the crucial investment in decarbonisation that the industry must make to survive.

Our members work at Tata which has initiated this review, and they will no doubt be deeply concerned at the amount of time it has taken this issue to be addressed since it was first raised back in June 2021. Whilst we welcome this review now that it has been initiated, it should not have taken so long.

it is essential that the volumes of imports are reviewed regularly to ensure that once the 3% threshold is reach, 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.

We know that the steel industry is already facing a perfect storm with the failure of the UK government to secure a deal with the USA on steel tariffs, and critically high energy prices.

We would stress the importance of UK steel for jobs, businesses, and livelihoods. This isn’t a minor or a technical issue— communities are on the line.

Community has conducted two polls in 2022 which highlight powerfully the importance of these measures. The first was polling through Savanta in four constituencies where steelworks are currently present. We found that, conducting polling in four steel constituencies, 91.5% agreed or strongly agreed that the steel industry makes an important contribution to their community. In parallel 88% agree/strongly agree that the steel industry is a source of pride for their community.

The second poll asked steelworkers within Community union about their feelings about the stee industry. The similarly striking results show the importance of steel jobs to their communities. 88% of respondents told us they were the main earner in their household, and 52% had other family members working in the steel industry or the supply chain. 94% told us they were proud to be a steelworker. And 90% told us they believed that “the future of my local community relies on the future of the steelworks”.

It is critical that the TRA takes seriously its responsibilities to those communities.