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TD0006: Reconsideration of the TRA's recommendation in the framework of the transition review of safeguard measures on certain steel products – submission of Tata Steel UK Ltd. concerning imports of Non Alloy and Other Alloy Hot Rolled Sheets and Strips

8 October 2021

Dear case team,

In view of the on-going reconsideration procedure of the TRA's recommendation in TF0006, Tata Steel UK Ltd. (TSUK) wishes to draw your attention to a significant change in imports from a developing country currently exempted from the measures, namely India.

Currently, imports of product category 1 (Non Alloy and Other Alloy Hot Rolled Sheets and Strips – HRSS) from India are not subject to the measures as India's average import share did not exceed 3% in the period of 2017-2019. However, I note that imports of HRSS from India started to rapidly increase since 2020, as can be seen from the table below:

	2017	2018	2019	2020	6M 2021	2021 (annualized)
Total, t	755,962	824,880	801,573	480,773	328,900	657,050
India, t	22,898	33,879	0	21,962	36,697	36,697
India, %	3.0	4.1	0	4.6	11.2	5.6

Source: HMRC data.

As a result of this upward trend, India's import share reached 4.6% in 2020, whereas in the first half of 2021 India accounts for 11.2% of all HRSS imports to the UK. Moreover, even if imports from India completely stopped and imports from other third countries continued at a similar pace until the end of the year, India's import share would still reach 5.6%. However, according to our market intelligence, imports from India will continue at high levels and will therefore by far exceed the 3% threshold established for developing countries. It must be also noted that HRSS imports from India reached the highest level since 2014 (48kt) in only 6 months of 2021. This clearly indicates that India's original exemption from the measures is no longer justifiable.

It seems appropriate to use 2020 as the new reference period for the assessment of imports from developing countries as it is the most recent period with consolidated statistics. I also note that the same approach, i.e. using the last full year for analysing imports from developing countries, has been adopted by the European Commission in all reviews of the safeguard measures. In addition, the upward trend in imports from India observed in 2020 is also confirmed by a further significant increase in 2021. As the latest data for the full year 2020 and the first half of 2021 shows that India's import share for product category 1 by far exceeds 3%, India no longer qualifies for an exemption as a developing country pursuant to Article 43(1) of the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019.

In light of the foregoing, we respectfully request the TRA to investigate the above change in import patterns and review India's exemption as a developing country for imports of product category 1. We believe that the recent import data confirms that India should no longer benefit from an exemption for this product category and should be made subject to the residual quota for 'other countries' instead.

In addition, we note that while a broader review of tariff-rate quotas for developing countries may indicate that some of them fell below the 3% threshold based on the 2020 data, such countries should not be automatically exempted from the measures. Indeed, if a historical supplier, whether it is a developing country or not, reduces its level of exports for one year, it does not imply any long-term changes in trading flows. Moreover, continuing exclusion of developing countries with significant production capacities and motivation to export their products goes contrary to the fundamental goal of safeguard measures, that is to secure stable trading flows at their historical level.

We remain at your disposal if you have any questions.

Yours faithfully,

[redacted – personal information]