

#### **NOTICE OF INITIATION**

# Safeguard measure on certain steel products

# Initiation of a Tariff Rate Quota Review – Review of Developing Country Exception

#### Review No. SM0016

The Trade Remedies Authority (the TRA) makes the following Notice under regulation 35B(5)(a) of The Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019¹ (the Regulations) to initiate a tariff rate quota (TRQ) review into certain steel products (for details of the Goods Subject to Review, see Appendix I).

This review concerns whether the exception status of developing countries needs to be revised, following the measures imposed as a result of the transition review TF0006 from 1 July 2021. Details of the measure imposed are set out in <a href="Trade">Trade</a> remedies notice 2021/01: safeguard measure: tariff-rate quota on steel goods and <a href="Trade remedies notice 2021/03">Trade remedies notice 2021/03</a>: safeguard measure: tariff-rate quota on steel goods (updated 1 January 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. For a list of developing countries, see Appendix II.

The date of initiation of the review is 28 February 2022.

#### Initiation of a TRQ review

Applications to initiate a TRQ review (the Applications) have been lodged by Tata Steel UK Limited and UK Steel, a trade association for the UK steel industry, (the Applicants).

The Applications contain information which, in accordance with regulation 35B(1), indicates a change in circumstances following the implementation of the measure. The information indicates that during 2020 and 2021, a spike in imports from certain developing countries benefiting from the safeguard measure on certain steel products (i.e., relevant TRQs and a 25% safeguarding duty) under the Developing Country Exception (regulation 43 of the Regulations) occurred. The Applications recognise that, while imports from some exempted countries remained stable or moderately increased, some other countries' exports to the United Kingdom may

<sup>&</sup>lt;sup>1</sup> S.I. 2019/449.

have increased rapidly, to the point that they may not currently meet the requirements to benefit from the referred exception.

Having assessed the Applications, the TRA considers that the Applicants have provided sufficient information to substantiate the need for a TRQ review.

#### Issues for consideration in a TRQ review

When conducting this TRQ review, the TRA will refer to available information to determine whether there has been a change in circumstances since the application of the safeguard measure on certain steel products.

A change in circumstances may, among other things, be:

- the fact that imports from a developing country member of the WTO which have been excluded from the application of the TRQ can no longer be excluded under regulation 43 (developing country exception);
- the fact that imports from a developing country member of the WTO which have not been excluded from the application of the TRQ should be excluded under regulation 43.

During the TRQ review the TRA may consider:

- whether the amount or allocation of the TRQ is appropriate for domestic market conditions;
- the desirability of maintaining, as far as possible, traditional trade flows;
- any other factors that the TRA considers relevant.

# How to take part in the review

# Registration period

Anyone interested in taking part in the review can register their interest through the <u>Trade Remedies Service</u> by **15 March 2022**.

Please contact SM0016@traderemedies.gov.uk if you have any difficulties using this service.

Anyone registering their interest after **15 March 2022** may not be able to participate fully in the review process.

#### Interested parties and contributors

Once registered, interested parties and contributors can submit comments on any issues relevant to the review through the <u>Trade Remedies Service</u> until **15 March 2022**.

Interested parties may include:

- the government(s) of the relevant foreign country(s) or territory(ies);
- an overseas exporter or importer of the Goods Subject to Review;
- a trade or business association of producers, overseas exporters or importers of the Goods Subject to Review;
- a producer of like goods and/or directly competitive goods in the UK; and
- a trade or business association of UK producers of like goods and/or directly competitive goods.

Contributors are those, other than interested parties, who have notified the TRA to advise that that they would like to participate in the review.

Like goods are goods which are like the Goods Subject to Review in all respects, or if there are no such goods, those which have characteristics closely resembling the Goods Subject to Review.

Directly competitive goods are goods produced in the UK which are directly competitive with the Goods Subject to Review.

# Period of investigation (POI)

The period of investigation for this review is 1 July 2021 to 31 December 2021. During the review, the TRA will consider data for this period to assess a change in circumstances since the application of the TRQs on the Goods Subject to Review.

### Summary of the review process

The review will involve the following process:

- inviting parties to register their interest in the review;
- analysing information gathered;
- publication of a Statement of Intended Final Determination (SIFD), which will set out a summary of the facts considered during the review and the recommendation which will be put forward for a Final Determination;
- gathering comments on the SIFD on publication of the SIFD we will set a
  period of time, which will be no longer than 15 days, during which parties will
  be able to comment on the SIFD; and
- making a Final Determination on whether to maintain or vary the TRQ.

At the end of the review, a recommendation will be made by the TRA to the Secretary of State for International Trade (the Secretary of State) which may include provision for the TRQ measure to be maintained or varied. The Secretary of State will then decide whether to accept or reject that recommendation.

# Oral hearings

Interested parties can request a hearing during the review process using the <u>Trade</u> Remedies Service.

For further information about hearings, please see our <u>Meetings, Hearings and Visits</u> guidance.

#### Confidential information

Information provided during a review may be treated as confidential. Anyone requesting that information be treated as confidential must demonstrate why and provide:

- a non-confidential summary of that information; or
- where that is not possible, a statement of reasons explaining why the information should be treated as confidential, and why it cannot be summarised.

#### Further information

Our <u>Trade Remedies Guidance</u> provides more information about the investigations process, including our requirements for <u>submitting and summarising confidential</u> information.

Oliver Griffiths
Chief Executive Officer
Trade Remedies Authority
28 February 2022

# **APPENDIX I: THE GOODS SUBJECT TO REVIEW**

Product Number	Product Category	Commodity Codes
1	Non-alloy and other alloy	72081000, 72082500, 72082600, 72082700, 72083600,
	hot-rolled sheet and strip	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	72091500, 72091690, 72091790, 72091891, 72092500,
	cold-rolled sheet	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	72085120, 72089020, 72254040, 72085191, 72089080,
	quarto plates	72254060, 72085198, 72109030, 72085291, 72254012
12A	Alloy merchant bars and	72283020, 72283041, 72283061, 72283069, 72283070,
	light sections	72283089, 72286020, 72287010
12B	Non-alloy merchant bars	72143000, 72149110, 72149190, 72149931, 72149939,
	and light sections	72149950, 72149971, 72149979, 72149995, 72159000,
		72161000, 72162100, 72162200, 72164010, 72164090,
40	Dahar	72165010, 72165091, 72165099, 72169900
13	Rebar	72142000, 72149910
16	Non-alloy and other alloy	
	wire rod	72272000, 72139110, 72139190, 72279010, 72139120, 72139910, 72279050, 72139141, 72139990, 72279095
17	Angles shapes and	72163110, 72163219, 72163310, 72163190, 72163291,
17	Angles, shapes, and sections of iron or non-alloy	72163110, 72163219, 72163310, 72163190, 72163291, 72163390, 72163211, 72163299
	steel	72103390, 72103211, 72103299
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)	73051700, 73051200
26	Other welded tube	73061100, 73061900, 73062100, 73062900, 73063012,
	The words to be	73063018, 73063080, 73064020, 73064080, 73065021,
		73065029, 73065080, 73066910, 73066990, 73069000

#### APPENDIX II: 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, Diibouti, 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.