

NON-CONFIDENTIAL**SM0016: Tariff Rate Quota Review (Review of Developing Country Exception) in the framework of the safeguard measures on certain steel products – Submission of Tata Steel UK Limited****15 March 2022**

Dear case team,

We refer to the Notice of Initiation of a Tariff Rate Quota (TRQ) review – Review of Developing Country Exception in the framework of the safeguard measures on certain steel products of 28 February 2022. Our company, Tata Steel UK Limited (TSUK), is an interested party in the present review, as well as in the on-going reconsideration of the safeguard measures.

As an applicant for the present review, TSUK presented its views with respect to imports from certain developing countries currently exempted from the measures in our application for a review dated from 25 January 2022, as well as in our previous requests dated from 24 September 2021 and 13 December 2021. In the present submission, we wish to draw the TRA's attention to the importance of a prompt reaction to the growing imports from the countries exempted from the measures.

According to the external timeline of the review investigation, the TRA intends to conclude it in April, followed by a recommendation to the Secretary of State in May this year. In this respect, TSUK notes that the rapidly increased imports from certain developing countries have already 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). Since early 2021, certain developing countries exempted from the measures have been taking advantage of their position and exporting extraordinary volumes of these products, which is confirmed by the official import data (please refer to TSUK's application for a TRQ review for more details). 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.

The above-described import trends caused an immediate effect on the UK industry, which led TSUK to submit our first request for a TRQ review back in September 2021, followed by another request in December. In the meantime, imports continued to increase and undermine our operations in the UK. Moreover, according to our market intelligence, we expect several further spikes in imports in the coming months due to market conditions in other countries. TSUK notes that even if imports continue to flow into the UK 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 that will prevent certain developing countries from further abusing their position, especially in view of the previous requests for a TRQ review submitted by TSUK. While we understand that the TRA must comply with procedural requirements applicable to

NON-CONFIDENTIAL

TRQ reviews, we believe that the TRA has the necessary resources and expertise to complete the present review in a timely manner.

In light of the foregoing, we respectfully request the TRA the following:

- to amend the list of developing countries exempted from the measures based on the latest import trends before the beginning of the next quota period on 1 April;
- 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.

We remain at your disposal if you have any questions.

Yours faithfully,