



Review of Tariff Rate Quota allocations for the Russian Federation and the Republic of Belarus

Case SM0019

Recommendation to the Secretary of State

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A Introduction

A1. Purpose

1. On 6 April 2022, 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 TRQ review concerns whether the TRQ allocations of the Russian Federation (Russia) and the Republic of Belarus (Belarus) in respect of the Goods Subject to Review should be reallocated following a change in circumstances which has occurred since the application of the TRQs to those goods.
4. The change of circumstances identified was the introduction by the United Kingdom of trade sanctions on certain goods, including the Goods Subject to Review (see [section B2.2](#)) imported from Russia and Belarus in response to the invasion of Ukraine. These sanctions include, but are not limited to, [the Customs \(Additional Duty\) \(Russia and Belarus\) Regulations 2022 \(SI 2022/379\)](#), which imposed an additional duty of 35% on certain goods (including the Goods Subject to Review) imported from Russia and Belarus.

A2. Background

5. On 7 September 2021, the TRA initiated a reconsideration of its transition review of safeguard measures on certain steel products.
6. On 2 March 2022, The Trade Remedies (Review and Reconsideration of Transitioned Trade Remedies) 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.
7. On 22 March 2022, the Secretary of State called in the TRA's reconsideration of the transition review. The TRA will continue to work closely with the Department for International Trade (DIT) in completing this reconsideration.
8. The TRA is also conducting two other TRQ reviews regarding HMRC data corrections (SM0015¹) and developing-country exceptions (SM0016²), which are ongoing.
9. This TRQ review and its recommendation are separate to the outcome of those TRQ reviews and the reconsideration. The outcome of this TRQ review will be taken into account in subsequent findings and recommendations.
10. It should be noted that the called-in reconsideration and the other two TRQ reviews could result in the recalculation of the existing steel safeguard TRQs, including those subject to this review and our recommendation.
11. Any decisions taking into account this recommendation should therefore be made with an understanding that UK steel TRQs may be further updated in the coming months.
12. The public file for the steel safeguards reconsideration can be found at <https://www.trade-remedies.service.gov.uk/public/case/TF0006>.

¹ <https://www.trade-remedies.service.gov.uk/public/case/SM0015/>

² <https://www.trade-remedies.service.gov.uk/public/case/SM0016/>

B Review process

B1. Overview

13. The TRA initiated this TRQ review on its own initiative, under regulation 35B(2)(b) of the Safeguard Regulations 2019³, having identified sufficient information that indicated there may have been a change of circumstances since the application of the TRQs in respect of the Goods Subject to Review.
14. On the day of initiation (6 April 2022), we published a proposed course of action, including a proposed reallocation of TRQs.⁴ Interested parties had until 12 April 2022 to – via the Trade Remedies Service – register to the review, comment on our proposed course of action and submit any additional information relevant to the review. For submissions made after that date, we considered whether accepting the information would significantly impede the progress of the review. The submissions received are described in [section C1.2](#).
15. During the review, we sought to establish whether and how TRQs should be revised in relation to product categories 1 (non-alloy and other alloy hot rolled sheet and strip) and 13 (rebars). The scope of this review is explained in [section B2](#) below.
16. In this TRQ review, we considered:
 - whether there has been a change of circumstances since the application of TRQs to the Goods Subject to Review ([section B3](#) below);
 - whether the amount and allocation of the existing TRQs are appropriate for the UK domestic market ([section B4](#) below); and
 - the data sources and methodology appropriate to calculate TRQs with the aim to maintain traditional trade flows ([section B4](#) below).
17. The public file for this review can be found on the Trade Remedies Service [here](#).⁵

B2. Scope

B2.1 Countries

18. The change of circumstances that we identified as the basis to initiate this review followed from the imposition of new sanctions by the UK against Russia and Belarus. Therefore, in the scope of this review, we considered whether it was appropriate to reallocate the country-specific TRQs of Russia and Belarus and, if so, how to reallocate to other countries/regions with existing allocations in relevant categories – namely, the EU, Taiwan, Turkey, and the Ukraine.
19. We did not consider whether any other country-specific quotas should be reallocated as a result of the impact on trade flows of Russia's invasion of Ukraine on 24 February 2022.

³ The Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019

⁴ <https://www.trade-remedies.service.gov.uk/public/case/SM0019/submission/f5ccd828-5fc6-4dd7-80b5-c71f05f4ba27/>

⁵ <https://www.trade-remedies.service.gov.uk/public/case/SM0019/>

B2.2 Goods Subject to Review

20. 'Goods Subject to Review' are defined in regulation 2 of the Safeguard Regulations 2019 as 'the goods described in the notice of initiation of a review'. The notice of initiation for this review can be found [here](#).⁶
21. The TRA's transition review of safeguard measures on certain steel products recommended extending measures on ten product categories. Of these, only product categories 1 and 13 were assigned country-specific TRQs for Russia and/or Belarus.
22. The Goods Subject to Review in this TRQ review are set out in Table 1, below.

Table 1: The Goods Subject to Review

Product Number	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
13	Rebars	72142000, 72149910

B3. Change of circumstances

23. We considered the period from 1 July 2021 to 5 April 2022 (the 'Period of Investigation' or 'POI') to assess whether a change of circumstances has occurred since the application of the TRQs. This was the period from the date of application of the TRQs to the day before the initiation of this review.

B3.1 UK sanctions on Russia and Belarus imposed during the POI

24. On 25 March 2022, the UK imposed sanction tariffs of an additional duty of 35% on certain goods (including the Goods Subject to Review) imported from Russia and Belarus.⁷
25. As at [section C1.2](#), we received information from interested parties and contributors that indicates the UK market has begun to experience shortages of the Goods Subject to Review towards the end of the POI.
26. We did not have sufficient information to be able to authenticate these statements, so (in accordance with regulation 18 of the Safeguard Regulations 2019) we treated them with special circumspection. It was not clear from the information submitted whether the market conditions identified by interested parties and contributors were a direct result of UK sanctions against Russia and Belarus.

⁶ <https://www.trade-remedies.service.gov.uk/public/case/SM0019/submission/583d3b1b-4c64-457c-ab81-1f6db7a65971/>

⁷ [The Customs \(Additional Duty\) \(Russia and Belarus\) Regulations 2022 \(SI 2022/379\)](#)

27. We also note that Celsa Steel (UK) stated ‘there is no risk of shortage of steel in category 13 to the UK market’.⁸
28. Having considered the statements of participants holistically and compared their statements with information from secondary sources as at [section C2](#), we determined that the UK is likely to be experiencing or will soon experience shortages for both product categories 1 and 13.
29. The available evidence suggests that UK sanctions on Russia and Belarus are a significant contributing factor to the price increases observed for imports of the Goods Subject to Review from those countries. The available evidence also suggests that such price increases are likely to cause harm to the UK market if the Goods Subject to Review cannot be sourced from other countries or regions.
30. We have determined it is likely that the sanctions imposed by the UK on Russia and Belarus have led and will lead to a further significant decrease in UK imports of the Goods Subject to Review from those countries.

B3.2 Import ban on steel from Russia

31. On 14 April 2022, the UK imposed a ban on the importation or acquisition of certain goods (including the Goods Subject to Review) consigned from or originating in Russia.⁹ This ban came into effect after the Period of Investigation and so was not relevant to our assessment (above) of a change of circumstances. However, we consider this development a relevant factor for our choice of reallocation methodology, as explained in [section B4](#).
32. For Russian steel products, the ban applies to all goods within product category 13, and to all goods within product category 1, except for goods under the commodity codes 7208 52 10, 7208 53 10, and 7211 13 00. However, there have been no UK imports from Russia under these three commodity codes since after May 2014.¹⁰ We conclude that, under the sanctions now in effect, there will be no UK imports of the Goods Subject to Review from Russia.

B3.3 Conclusion

33. We conclude that the imposition of new UK sanctions on Russia and Belarus from 25 March 2022 constitutes a change of circumstances occurring since the application of TRQs to the Goods Subject to Review. This change of circumstances makes it appropriate to vary the TRQs established by the original transition review.

⁸ Celsa Steel (UK) [Registration of Interest](#), section B, page 6

⁹ [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 8\) Regulations 2022](#), Chapter 4C. The commodity codes of the steel products to which this ban applies are set out in Schedule 3B.

¹⁰ <https://www.uktradeinfo.com/trade-data/ots-custom-table/?id=b0a34f9e-1364-40a3-a8a8-e33c30000a32>

B4. Amount and allocation of TRQs

B4.1 Current TRQs

34. The TRQs calculated by the original transition review (applying from 1 July 2021) were based on import volumes during the calendar years 2017 to 2019. Where 2017-2019 data led to the conclusion that a more restrictive measure (than the transitioned safeguard measure) should be imposed, which is not permitted, the TRA recommended maintaining the existing measure, as set by DIT. DIT calculated the TRQs for the transitioned measure (applicable between 1 January 2021 and 30 June 2021) on the basis of 2015 to 2017 average import volumes, following the methodology applied by the EU.
35. For product categories 1 and 13, the TRA recommended maintaining the existing TRQs established by DIT.
36. The original transition review, in establishing the TRQs for categories 1 and 13, considered the desirability of maintaining, as far as possible, traditional trade flows. The purpose of this TRQ review is not to re-evaluate the TRQs for categories 1 and 13 in their entirety. It would not be appropriate to entirely recalculate the TRQs because the change of circumstances we have identified does not reduce the ability of countries and/or regions – other than Russia and Belarus – to fulfil their TRQs.
37. For this reason, we also used ‘country-of-dispatch’ import data from HMRC as the basis of our calculations, as in the original transition review. We acknowledge that ‘country-of-origin’ import data is available on request from HMRC.
38. It should be noted that the outcome of the called-in reconsideration could require the recalculation of the TRQs which are the subject of this recommendation.

B4.2 Determination on whether the TRQs should be varied

39. It is not within the scope of this review to vary the total quota amounts for product categories 1 or 13. The total quota amounts will therefore remain unchanged from those established by the transition review.
40. Under the existing TRQ allocations, Russia is allocated 5.2% of the total tariff-free quota for product category 1 (which amounts to 48,144 tonnes for July 2022 to June 2023), and Russia and Belarus are allocated 5.0% and 17.2% respectively of the total tariff-free quota for product category 13 (which amounts to 25,018 tonnes and 86,025 tonnes respectively for July 2022 to June 2023).
41. The available evidence suggests that these TRQ allocations are no longer appropriate for the conditions in the domestic market.
42. Under regulation 35B(7) of the Safeguard Regulations 2019 we determine that the TRQs to which the goods are subject should be varied.

B4.3 Amount of the TRQs

43. We considered whether the country-specific TRQs of Russia and Belarus should be reduced in amount or removed entirely.

44. As described in [section B3.3](#), we conclude the import ban covering certain steel products from Russia will stop all UK imports of the Goods Subject to Review from Russia. We consider this a relevant factor that we can take into account under regulation 35B(6)(c)(iii) of the Safeguard Regulations 2019. Therefore, we have determined that the country-specific TRQs for Russia should be removed entirely.
45. For Belarus, we considered the effect of 35% additional duties on UK demand for the Goods Subject to Review from Belarus. These duties are likely to make Goods Subject to Review from Belarus less competitive and so UK importers are likely to purchase from other sources. The statements from participants outlined in [section C1.2](#) suggest that the UK market could be harmed by the resulting price increases, and so UK importers will look to source steel from elsewhere. Additionally, we observed that the UK's annual import volume of product category 13 from Belarus decreased by 97.5% from 2020 to 2021, so that Belarus represented less than 1% of category 13 imports in 2021. We conclude it is likely that UK sanctions on Belarus will drive demand for the Goods Subject to Review from Belarus to an effective zero. Therefore, we have determined that the country-specific TRQs for Belarus should be removed entirely.
46. Removing the country-specific TRQs of Russia and Belarus does not prevent imports of the Goods Subject to Review from those countries, because the residual quotas will still be available to Belarus for product categories 1 and 13 and to Russia for the commodity codes 7208 52 10, 7208 53 10, and 7211 13 00.
47. Any unused balances of the country-specific TRQs of Russia and Belarus from the quarter January to March 2022 (Q3 of the first year of the measure) carry over to April to June 2022 (Q4). The TRA does not propose to reallocate this carried-over allocation. No unused balances at the end of Q4 are transferred into the next year of the measure.

B4.4 Choice of TRQs to increase

48. We considered which would be the most appropriate methodology for reallocating the TRQs of Russia and Belarus. We considered:
 - the desirability of maintaining traditional trade flows;
 - the appropriateness of the allocation for domestic market conditions; and
 - other relevant factors such as procedural fairness.
49. We determined that the Russian and Belarusian quotas should be redistributed proportionately among other existing country-specific quotas and the residual quotas based on proportion of trade flow in the representative period set out below. This method ensures fair treatment of different countries and regions.
50. We decided it would not be appropriate to reallocate the TRQs of Russia and Belarus entirely to the residual quotas. This would not be representative of observed trade flows. It could also increase the risk of shortages in the UK because it would limit the ability of traditional trading partners to replace the imports no longer sourced from Russia and Belarus.
51. Although a larger residual quota would accommodate a greater number of potential sources, there would be an increased risk of the residual quota not being fulfilled – the UK could experience shortages during the first three quarters of the annual quota period due to countries and/or regions with country-specific quotas not having access to the residual pot until the final quarter.

B4.5 Representative period

52. We considered which representative period would be the most appropriate basis for reallocating the TRQs of Russia and Belarus. We did this by analysing HMRC import data for 2017 onwards to assess the desirability of maintaining traditional trade flows and the appropriateness of different TRQ allocations for domestic market conditions.
53. As in the original transition review, we considered the period from 2017 to 2019, and we excluded 2020 owing to the impacts of the COVID-19 pandemic on import volumes.
54. We identified the calendar year of 2021 as an alternative representative period, because recent trade flows are relevant when considering the desirability of maintaining traditional trade flows and the appropriateness of potential reallocations for domestic market conditions. Although the pandemic continued to affect trade during 2021 import volumes for product categories 1 and 13 recovered to 87.4% and 96.4% of 2017 volumes respectively. Consequently, the period from 2017 to 2019 is no longer the most recent representative period for assessing traditional trade flows.
55. We also note that the European Commission took a similar approach, redistributing the TRQs of Russia and Belarus among other exporting countries subject to the safeguard measure based on their share of overall imports in 2021.¹¹
56. We determined that 2021 was a more appropriate representative period for reallocating the TRQs than 2017 to 2019.
57. As shown in [Annex 2](#), trade flows for product categories 1 and 13 have changed significantly since the pandemic. For product category 1, imports from the EU have remained lower since 2020, while imports from other sources have increased. For product category 13, imports from Turkey and Ukraine have decreased since the period 2017 to 2019, while imports from other sources have increased.
58. Reallocating the TRQs on the basis of 2017-2019 data would result in quota increases for countries/territories which more recent import levels suggest they may not be able to fulfil. This would not be appropriate for domestic market conditions because it would increase the risk of shortages for both product categories.

C Summary of facts considered

C1. Information from primary sources

C1.1 HMRC

59. As explained in [section B4](#), we used import data from HMRC to analyse trade flows from 2017 onwards.

¹¹ European Commission, [Regulation \(EU\) 2022/434](#), 15 March 2022

C1.2 Submissions

60. As explained in [section B3](#), we considered the statements of registered parties holistically, with special circumspection and in the context of information we obtained from secondary sources 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;
 - Duferco UK – a UK importer;
 - The British Chambers of Commerce (BCC) – a trade body;
 - The International Steel Trade Association (ISTA) – a trade body;
 - The British Independent Reinforcement Fabricators Association (BIRFA) – a trade body;
 - Cummins Ltd – a downstream user; and
 - The Delegation of the European Union to the United Kingdom of Great Britain and Northern Ireland – registered to the review as a 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 to do so. Although some parties finalised their registration after the close of the registration period on 12 April 2022, we accepted the registrations of all the parties above. This was because all the parties above provided sufficient confidentiality-compliant versions of their registration forms and their registrations did not impede the progress of the review. We did not accept the registration of the Embassy of Switzerland in the UK (on 25 April 2022) because doing so would have impeded the progress of the review.
63. In addition to their registration forms, ISTA and Cummins Ltd made additional submissions.
64. The non-confidential versions of all the submissions to this review can be found on the public file [here](#).¹²
65. We have summarised and considered the information submitted that we have not discussed elsewhere within this document at [Annex 3](#).
66. The British Independent Reinforcement Fabricators Association (BIRFA) stated that the imposition of additional duties ‘effectively deprived the fabrication industry’ of major sources of supply.¹³
67. Cummins Ltd submitted that prices for steel products – including non-alloy hot rolled products – have been significantly higher since March 2022 compared to before March 2022, and they stated that this is affecting the ability of suppliers to purchase steel.
68. Duferco UK submitted that they have contractual commitments in place with a manufacturer in Belarus which were made prior to the Russian invasion of Ukraine and the UK sanctions. Duferco UK note that the EU allowed a grace period of three months from the imposition of sanctions against Russia and Belarus for domestic companies to

¹² <https://www.trade-remedies.service.gov.uk/public/case/SM0019/>

¹³ BIRFA [Registration of Interest](#), section A, page 5

fulfil their contractual commitments and that this demonstrated a good understanding of the way UK trading companies and steel users value chains operate.

69. The International Steel Trade Association (ISTA) stated that UK demand 'remains for both the products in question', but that 'UK mills are not able to meet this demand'; therefore, 'to ensure the necessary supply to the market during the current war, such steel must be obtained elsewhere'.¹⁴
70. The British Chambers of Commerce (BCC) stated that 'survey evidence of Chambers members and feedback from individual Chambers strongly indicates ongoing problems with sourcing and pricing of steel product imports', leading to 'cost and inflationary pressures in supply chains'.¹⁵
71. Celsa UK said there is no risk of shortage of steel in category 13 to the UK market and prices are driven by costs related to other factors, e.g., energy and raw materials, rather than the safeguard quotas. Category 13 remains an extremely competitive market irrespective of quota reallocation or redistribution.

C2. Information from secondary sources

72. We conducted desk research of secondary sources. Information from these sources is treated with special circumspection given the challenge of authenticating the information and its objectivity.
73. In the article '[War returns to Europe – What does it mean for steel buyers?](#)' (published 9 March 2022), MEPS stated that a 'UK ban on Russian oil imports will almost certainly send prices higher', which will apply 'upward pressure to steel values'.
74. In the article '[Short Range Outlook: April 2022](#)' (published 5 April 2022), the International Rebar Exporters and Producers Association (IREPAS) connected sanctions on Russia with the 'sudden disappearance' of a major steel-supplying country and 'disruptions of supplies of semi-finished and finished products'.
75. In the publication '[Industry Response to the Ukraine Crisis](#)' (published 29 March 2022), the Construction Leadership Council stated that, in the UK, a 'withdrawal of materials and products' sourced directly from Russia and Belarus is anticipated, including for rebar, which is a 'critical' category.
76. In the article '[How will the Russia-Ukraine war impact UK steel prices?](#)' (published 11 March 2022), Planning, BIM & Construction Today stated that 'trading sanctions will have a detrimental impact on the construction supply chain'.

D Recommendation

77. We recommend that the country-specific TRQs of Russia and Belarus should be reallocated in their entirety and distributed across other existing country-specific TRQs and the relevant residual quotas based on 2021 trade flows.

¹⁴ ISTA '[TRA V6 non confidential pdf.docx](#)', page 1

¹⁵ BCC '[Registration of Interest](#)', section A, page 5

78. Resulting TRQ allocations for product categories 1 and 13 are shown in tables 2b and 3b of [Annex 1](#). 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.
79. We make this recommendation as a result of the change of circumstances set out in [section B3](#) and our consideration of the facts summarised in [section C](#).
80. This recommendation is not materially changed from our initial proposal for this TRQ review.¹⁶
81. 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 1](#).
82. We do not recommend retroactive application of varied TRQs.
83. For product category 1, our recommendation means that:
- the country-specific TRQs of Russia will be removed (except any balance carried over into or used to date within the quarter April to June 2022);
 - the country-specific TRQs of the EU, Turkey and Taiwan will be increased; and
 - the residual quotas will be increased.
84. For product category 13, our recommendation means that:
- the country-specific TRQs of Russia and Belarus will be removed (except any balance carried over into or used to date within the quarter April to June 2022);
 - the country-specific TRQs of the EU, Turkey and Ukraine will be increased; and
 - the residual quotas will be increased.
85. We note that the TRQs as applied to these categories are subject to ongoing review under the called-in reconsideration of the transition review, which could result in further TRQ recalculations.
86. Any decisions made which take into account this recommendation should therefore be made with an understanding that UK steel TRQs may be further updated in the coming months.

E Public interest considerations

87. The following considerations may be relevant to the Secretary of State's decision as to whether it would be in the public interest to accept the TRA's recommendation to revise the TRQs on product categories 1 and 13.

¹⁶ <https://www.trade-remedies.service.gov.uk/public/case/SM0019/submission/f5ccd828-5fc6-4dd7-80b5-c71f05f4ba27/>

E1. Existing contractual commitments

88. Under the reallocated TRQs, any imports of the Goods Subject to Review from Russia (under the commodity codes 7208 52 10, 7208 53 10, and 7211 13 00) and Belarus will have to compete for access to the residual quotas with imports from other countries.
89. Since it is usual for supply chain lead times in the steel industry to be significant, it is possible that other UK importers of the Goods Subject to Review may have paid-for contractual commitments with suppliers in Russia and/or Belarus which may shift the cost of sanctions to UK interests rather than being borne by the target economies. We have received submissions from interested parties to indicate this but have not authenticated these submissions.

E2. Possible circumvention

90. Celsa Steel (UK) submitted that the existing measures will not prevent Russian and Belarusian semi-finished products, such as billets, from being re-rolled and entering the UK market via other countries (including those with country-specific TRQs, those with access to the residual quotas, and those with safeguard exemptions).¹⁷
91. The TRA notes that the ban imposed by the UK on the importation or acquisition of certain goods from Russia covers goods originating in Russia, as well as those consigned from Russia.¹⁸ However, it is not within the scope of this TRQ review to determine whether circumvention has been taking place or whether it will remain possible in future. We also note that Belarus is not subject to this ban.

¹⁷ Celsa Steel (UK) [Registration of Interest](#), section A, page 5

¹⁸ [The Russia \(Sanctions\) \(EU Exit\) \(Amendment\) \(No. 8\) Regulations 2022](#), Chapter 4C. The commodity codes of the steel products to which this ban applies are set out in Schedule 3B.

Annex 1: Tariff Rate Quotas

Product category 1

Table 2a: Product category 1 – Current TRQs (in tonnes)

Quarter		EU	Turkey	Taiwan	Russia	Residual	Total
01/04/2022	30/06/2022	163,258	22,732	12,653	11,654	15,452	225,749
01/07/2022	30/09/2022	170,004	23,671	13,176	12,135	16,090	235,076
01/10/2022	31/12/2022	170,004	23,671	13,176	12,135	16,090	235,076
01/01/2023	31/03/2023	166,308	23,157	12,890	11,871	15,740	229,966
01/04/2023	30/06/2023	168,156	23,414	13,033	12,003	15,915	232,521
01/07/2023	30/09/2023	174,625	24,315	13,534	12,465	16,527	241,466
01/10/2023	31/12/2023	174,625	24,315	13,534	12,465	16,527	241,466
01/01/2024	31/03/2024	172,727	24,050	13,387	12,330	16,348	238,842
01/04/2024	30/06/2024	172,727	24,050	13,387	12,330	16,348	238,842

Table 2b: Product category 1 – Recommended reallocation of TRQs (in tonnes)

Quarter		EU	Turkey	Taiwan	Residual	Total
01/04/2022	30/06/2022	169,768	23,638	13,436	18,908	225,749
01/07/2022	30/09/2022	176,782	24,615	13,991	19,689	235,076
01/10/2022	31/12/2022	176,782	24,615	13,991	19,689	235,076
01/01/2023	31/03/2023	172,939	24,080	13,687	19,261	229,966
01/04/2023	30/06/2023	174,860	24,347	13,839	19,475	232,521
01/07/2023	30/09/2023	181,587	25,284	14,371	20,224	241,466
01/10/2023	31/12/2023	181,587	25,284	14,371	20,224	241,466
01/01/2024	31/03/2024	179,614	25,009	14,215	20,004	238,842
01/04/2024	30/06/2024	179,614	25,009	14,215	20,004	238,842

Table 2c: Product category 1 – Change in TRQs (in tonnes)

Quarter		EU	Turkey	Taiwan	Russia	Residual	Total
01/04/2022	30/06/2022	+6,510	+906	+783	-11,654	+3,456	0
01/07/2022	30/09/2022	+6,778	+944	+815	-12,135	+3,599	0
01/10/2022	31/12/2022	+6,778	+944	+815	-12,135	+3,599	0
01/01/2023	31/03/2023	+6,631	+923	+797	-11,871	+3,521	0
01/04/2023	30/06/2023	+6,704	+933	+806	-12,003	+3,560	0
01/07/2023	30/09/2023	+6,962	+969	+837	-12,465	+3,697	0
01/10/2023	31/12/2023	+6,962	+969	+837	-12,465	+3,697	0
01/01/2024	31/03/2024	+6,887	+959	+828	-12,330	+3,656	0
01/04/2024	30/06/2024	+6,887	+959	+828	-12,330	+3,656	0

Product category 13

Table 3a: Product category 13 – Current TRQs (in tonnes)

Quarter		EU	Turkey	Ukraine	Russia	Belarus	Residual	Total
01/04/2022	30/06/2022	49,814	28,699	12,263	6,056	20,822	3,396	121,050
01/07/2022	30/09/2022	51,873	29,885	12,770	6,306	21,683	3,536	126,053
01/10/2022	31/12/2022	51,873	29,885	12,770	6,306	21,683	3,536	126,053
01/01/2023	31/03/2023	50,745	29,236	12,498	6,169	21,211	3,459	123,313
01/04/2023	30/06/2023	51,309	29,560	12,631	6,237	21,447	3,498	124,682
01/07/2023	30/09/2023	53,283	30,698	13,117	6,477	22,272	3,632	129,479
01/10/2023	31/12/2023	53,283	30,698	13,117	6,477	22,272	3,632	129,479
01/01/2024	31/03/2024	52,704	30,364	12,975	6,407	22,030	3,593	128,073
01/04/2024	30/06/2024	52,704	30,364	12,975	6,407	22,030	3,593	128,073

Table 3b: Product category 13 – Recommended reallocation of TRQs (in tonnes)

Quarter		EU	Turkey	Ukraine	Residual	Total
01/04/2022	30/06/2022	66,981	31,850	13,222	8,997	121,050
01/07/2022	30/09/2022	69,750	33,167	13,768	9,368	126,053
01/10/2022	31/12/2022	69,750	33,167	13,768	9,368	126,053
01/01/2023	31/03/2023	68,233	32,446	13,469	9,165	123,313
01/04/2023	30/06/2023	68,991	32,806	13,618	9,266	124,682
01/07/2023	30/09/2023	71,645	34,068	14,142	9,623	129,479
01/10/2023	31/12/2023	71,645	34,068	14,142	9,623	129,479
01/01/2024	31/03/2024	70,867	33,698	13,989	9,518	128,073
01/04/2024	30/06/2024	70,867	33,698	13,989	9,518	128,073

Table 3c: Product category 13 – Change in TRQs (in tonnes)

Quarter		EU	Turkey	Ukraine	Russia	Belarus	Residual	Total
01/04/2022	30/06/2022	+17,167	+3,151	+959	-6,056	-20,822	+5,601	0
01/07/2022	30/09/2022	+17,877	+3,282	+998	-6,306	-21,683	+5,832	0
01/10/2022	31/12/2022	+17,877	+3,282	+998	-6,306	-21,683	+5,832	0
01/01/2023	31/03/2023	+17,488	+3,210	+976	-6,169	-21,211	+5,706	0
01/04/2023	30/06/2023	+17,682	+3,246	+987	-6,237	-21,447	+5,768	0
01/07/2023	30/09/2023	+18,362	+3,370	+1,025	-6,477	-22,272	+5,991	0
01/10/2023	31/12/2023	+18,362	+3,370	+1,025	-6,477	-22,272	+5,991	0
01/01/2024	31/03/2024	+18,163	+3,334	+1,014	-6,407	-22,030	+5,925	0
01/04/2024	30/06/2024	+18,163	+3,334	+1,014	-6,407	-22,030	+5,925	0

Annex 2: Changes in trade flows

Product category 1

Table 4: UK imports of product category 1 recovered in 2021

Volume	2017	2018	2019	2020	2021
Tonnes	755,972	824,922	801,592	480,765	660,394
Index (2017=100)	100.0	109.1	106.0	63.6	87.4

Figure 1: Product category 1 – UK import volumes from different sources (stacked area chart)

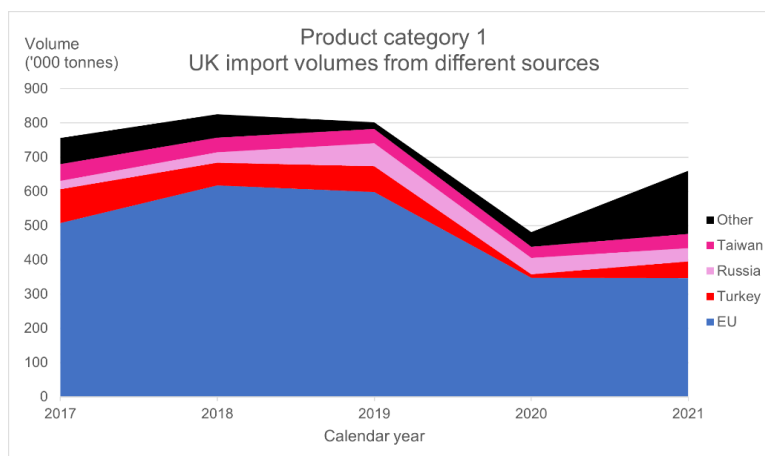


Table 5: Product category 1 – source of UK imports, excluding Russia and Belarus

Source	Average proportion of imports (%)	
	2017 to 2019	2021
EU	76.3	55.9
Turkey	10.6	7.8
Taiwan	5.9	6.7
Others	7.2	29.7

Product category 13

Table 6: UK imports of product category 13 in 2021 reached a similar level to that in 2017

Volume	2017	2018	2019	2020	2021
Tonnes	374,912	421,433	386,654	288,172	361,598
Index (2017=100)	100.0	112.4	103.1	76.9	96.4

Figure 2: Product category 13 – UK import volumes from different sources (stacked area chart)

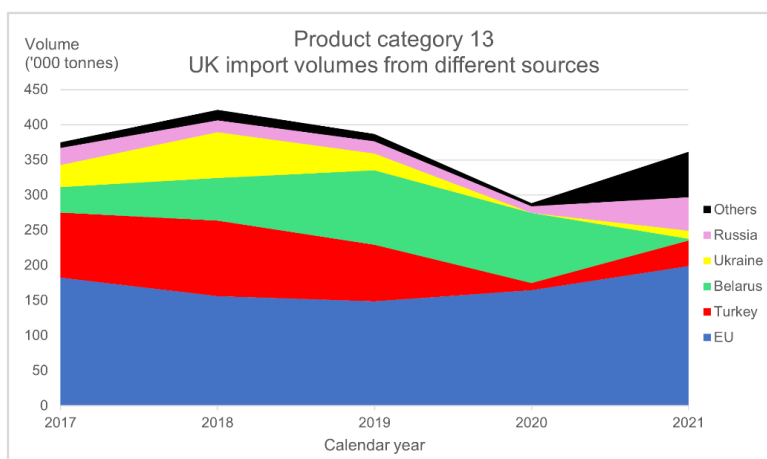


Table 7: Product category 13 – sources of UK imports, excluding Russia and Belarus

Source	Average proportion of imports (%)	
	2017 to 2019	2021
EU	52.9	63.9
Turkey	30.5	11.7
Ukraine	13.0	3.6
Others	3.6	20.8

Annex 3: Summary of submissions

A Celsa Steel (UK)

	Comment	TRA consideration
1	The TRA must ensure that there is no retroactive application of the TRQ. In other words, because there is a possibility that this redistribution will occur part way through a quarter, only the proportionate quota for the remaining period of the quarter should be redistributed, e.g., if the redistribution takes effect 1st May, only 61/91 of the Russian/Belarusian quota should be redistributed.	This is not a decision for the TRA. The TRA recommendation will identify what the TRQ should be for this quarter and onwards and, in accordance with Regulation 37(4)(c) of the Safeguard Regulations 2019, that any measure giving effect to this recommendation should enter into force on the day after the date of publication of any public notice made under section 13 of the Taxation (Cross-border Trade) Act 2018 and according to the TRQ periods set out in Annex 1 .
2	Given that the existing trade measures do not stop the import of Russian/Belarusian steel (they only impose a 35% additional tariff), it remains possible that imports of safeguarded products will come from these sources. The TRA must ensure there is no possibility of the quota levels being exceeded.	This is not the purpose of a TRQ and a sanction question is not a decision for the TRA.
3	The proposed redistribution of the quotas is not logical. The quotas have been set on the basis of 2017-2019 deliveries to the UK market. The TRA proposes the redistribution is in line with 2021 actual results. It makes logical sense for the redistribution to be based on a pro-rata uplift of the 2017-2019 quotas, not on deliveries from a different time period.	We note that we are recommending that the TRQs established on the basis of 2017-2019 trade flows be varied via a reallocation based on 2021 trade flows. As set out in section B4 , it is not within the scope of this review to entirely re-evaluate the TRQs, but the TRA does have discretion to recommend varying the TRQs using an appropriate method in accordance with regulation 35B(6)(c) of the Safeguard Regs.
4	Safeguard measures are circumvented by imports under developing country exemptions. The TRA should determine both this review SM0019 and the ongoing developing countries exemption review SM0016 together.	The timeline for both TRQ reviews has been published.
5	These measures will not prevent the use of Russian and Belarussian semi-finished products from being further processed and entering the UK via other countries. The TRA should advise the Secretary of State that the measures taken by UK Government do not address this issue and that it is outside the scope and competence of the TRA.	The TRA note this point. This concern is also addressed in section E Public interest considerations.
6	There is no risk of shortage of steel in category 13 to the UK market and prices are driven by costs related to other factors, e.g., energy and raw materials, rather than the safeguard quotas. Category 13 remains an extremely competitive market irrespective of reallocation, or redistribution.	We did not receive sufficient information to authenticate this statement. Having considered the statements of all parties and secondary sources we determined it was likely that the UK is experiencing or will soon experience shortages of category-13 goods.

B Duferco

	Comment	TRA consideration
1	Duferco UK have contractual commitments in place with a manufacturer in Belarus which were made prior to the Russian invasion of Ukraine and the UK sanctions against Belarus that followed. These commitments cover steel that has not yet been produced but that they have already sold to UK clients which have, in turn, made contractual commitments relating to projects in the UK. Unless a grace period is allowed the 35% additional duties and full application of safeguard tariffs without a quota would prevent UK trading companies and their UK clients fulfilling their contractual commitments.	<p>The TRA notes that the TRQ reallocations recommended by this review do not prevent imports of the Goods Subject to Review from Russia and Belarus – both countries will have access to the residual quotas for goods in product categories 1 and 13 (unless they are subject to an import ban).</p> <p>We further note that it is not within the remit of the TRA to set or recommend grace periods for trade remedy measures or sanctions.</p> <p>This concern is also addressed in section E Public interest considerations.</p>

C The BCC

	Comment	TRA consideration
1	Should steel and iron imports from Russian-occupied areas of Ukraine also be prohibited in due course, we would support a further reallocation of the TRQs on steel products in the affected categories.	The TRA notes this position. It is not within the scope of this review to consider whether the country-specific TRQs of Ukraine or any other country or region – other than Russia and Belarus – should be reallocated.

D ISTA

	Comment	TRA consideration
1	UK imports statistics show that to an appreciable degree the EU is not using its current quota allocation for both categories 1 and 13. ISTA, therefore, believes that the reallocations should only be for the specific non-EU countries and 'other countries'.	The TRA notes this position. As set out in section B4 , we have reallocated the country-specific TRQs of Russia and Belarus using a method that reflects trade flows during 2021.
2	Ukraine is currently unable to export due to the war. Their quotas should also be temporarily redistributed.	It is not within the scope of this review to consider whether the country-specific TRQs of Ukraine should be reallocated.
3	Whilst welcoming the TRA review, in ISTA's view there may no longer be a need for safeguard measures. They were introduced in response to US Section 232 measures to ensure that steel that would normally be shipped to America was not diverted to Europe/ the UK. As the 232 tariffs have been removed for exports to the USA from the EU and UK these measures may no longer be required. Anti-dumping measures remain available should it be felt that there is a need to curtail what are deemed to be excessive imports.	It is not within the scope of this review to consider whether safeguard measures should be suspended.

E BIRFA

	Comment	TRA consideration
1	The UK has a structural deficit of manufacturing capacity for reinforcing steel. Independent fabricators supply around 50% of the reinforcing steel used by the UK construction industry, including major infrastructure projects such as HS2 and Hinkley Point C power station. Independent fabricators are highly dependent on imported steel to maintain the supply chain to the UK construction industry.	We have noted this point and make our recommendation to address the issue of potential shortages in the supply of category-13 goods.
2	The one major UK manufacturer of reinforcing steel, Celsa, and a second producer, Liberty Speciality Steel, do not need the protection of safeguard measures.	It is not within the scope of this review to consider whether safeguard measures should be suspended.
3	Reallocation of the Belarusian and Russian quotas is of limited help. The UK is over dependent on EU and Turkish supplies, and the steel industries in these countries have their own problems in increasing production due to energy, raw materials and shipping capacity constraints effected through the various sanctions imposed by governments	It is not within the scope of this review to consider whether the country-specific TRQs of the EU or Turkey should be reallocated. As set out in section B4 , we have reallocated the country-specific TRQs of Russia and Belarus using a method that ensures fair treatment of different countries and regions. We considered traditional trade flows using a representative period and considered the appropriateness of the reallocation for UK market conditions.
4	BIRFA believes that the obvious solution to the problems presented by the Ukrainian situation would be to suspend the safeguard measures indefinitely for the products most affected, including rebars.	It is not within the scope of this review to consider whether safeguard measures should be suspended.
5	If it is not possible to suspend the safeguard measures then a) the allocation of quotas to individual countries should be stopped and the full quota to be placed in a single 'pot' b) the full quota should be usable without the 90% cut-off above which duty has to be paid.	As set out in section B4 , we have reallocated the country-specific TRQs of Russia and Belarus using a method that ensures fair treatment of different countries and regions. We considered traditional trade flows using a representative period and considered the appropriateness of the reallocation for UK market conditions. It is not within the TRA's remit to change HMRC's implementation of TRQs with respect to the 90% cut-off above which duty has to be paid/reimbursed.