

Trade Remedies Authority,
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United Kingdom

Sent by email only to TD0001@traderemedies.gov.uk

14th June 2021

To whom it may concern,

Community was pleased to present a full questionnaire response to the case TD001 focussing on anti-dumping measures for welded tubes and pipes of iron of steel originating in the Republic of Belarus, the People's Republic of China, and the Russian Federation.

We agree with the determination that dumping would be likely to occur should measures no longer be applied to Belarus or China. However, we are concerned by the determination that dumping would not occur should the measures no longer apply to exporters from Russia.

It is concerning that anti-dumping measures are proposed to be lifted on Russian industry despite only one Russian producer having submitted a complete questionnaire. This suggests that the review can only have been carried out based on incomplete information.

The statement of essential facts is clear that "injury to the UK industry would occur if the anti-dumping amount were no longer applied to those goods" but suggests that dumping is unlikely to occur.

However, should these anti-dumping measures be lifted perverse incentives are created both for producers in Russia to find a market in the UK, and for UK customers to substitute products sourced without anti-dumping measures for those where the measures remain in place.

The UK steel industry employs 33,700 people directly in the UK and a further 42,000 in the related supply chains. These jobs are concentrated in areas of economic deprivation, in particular in Yorkshire and Humberside and South Wales, where wages are 45% above the regional averages. Should steel jobs disappear as a consequence of this decision there will be a severe and disproportionate impact on disadvantaged communities.

We are also concerned by the overall approach which restricts the scope of the measures. Although some products are not produced by Tata Steel UK or Liberty Steel UK and therefore on the face of it would not be damaged should dumping occur, importers will, over time, choose to transfer from products where measures are in place, to those without protections, harming British industry in the process.

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Overall, it is concerning that at a time when the USA and the EU are consolidating their approaches of protecting their domestic industries, the UK is striking out alone in scrapping important trade protections such as anti-dumping measures. In the statement of essential facts, the Trade Remedies Authority agreed with us that “any safeguard or continuation of anti-dumping duties by the EU would increase the attractiveness of the UK market”, which is clearly the case. The UK’s exports are still subject to EU and US measures. Measures are required because of the global trading environment for steel, which is volatile and unpredictable, characterised by overcapacity, diversions from markets with their own measures in place, and increasing use of trade defence mechanisms across the globe.

It’s clear that the determination in this case is just one part of an approach which will drive up volumes of steel imports and threaten the viability of steel in the UK, as well as threaten the sector’s ability to make the enormous scale of investments required to deliver decarbonisation; failure to meet that target is another existential threat to the industry.

As a trade union we are considered to be a “contributor” rather than an “interested party” in this case, and we have always been concerned this distinction means our evidence would not be given sufficient weight in the process of investigating trade remedies. The extent to which our arguments have been considered in this case suggests that our fears are well founded. For example, in our submission we raised that producers in Russia have the capacity to be able to increase production of the products in question, a factor which appears not to have been considered in the determination.

We also highlighted the ITUC rating of the level of workers’ rights in the countries in question: 5 for China and Belarus meaning there is no guarantee of rights, and 3 in Russia meaning there are regular violations. As we set out in our submission, these are key factors in explaining the differences in production costs and demonstrate unfairness. The EU has rightly considered workers’ rights and the ILO standards, and the UK should do so too. The TRA acknowledges that “We considered that these arguments could be relevant for the dumping likelihood assessment as the lower labour costs could have been reflected in the indicative import prices but do not consider them to be directly relevant for the EIT assessment”. We agree that likely labour violations are reflected in the costs of products from these countries and argue that this is a key component driving the risk of undercutting, which the TRA acknowledged.

More broadly, the focus of our argument is disregarded: “the submission did not contain any detail regarding the nature of the adjustments requested nor how they apply to this review”. Fundamentally, we believe that the differences in labour standards in the three countries affected mean that the products are not fairly comparable. It is disappointing that no attempts were made to consider these differences when assessing the threat to the UK industry. This is despite the admission that undercutting, and underselling would be likely from all three countries should the anti-dumping measures be removed, and the extent to which poor labour standards contribute to the viability of undercutting.

We also highlighted the threat to jobs in Tata Steel Corby and Liberty Steel Tredegar, which would be an unacceptable risk to more than 600 direct jobs in the UK. These points related to jobs were noted but do not appear to have been accounted for in the determination.

No other references to our submission were made in the Statement of Essential Facts.

We consider the treatment of our evidence supports our fears that the Trade Remedies Authority has not, and by extension will not in future cases, properly consider the views of the workforce and how substantially they are affected by these decisions. When the TRA was set up we were of the view that worker voices should be represented on the TRA and given a central role in the process, and this early determination only serves to reinforce our view that as currently constituted the TRA is unlikely to adequately balance social factors with private interests and the benefits of competition.

Yours faithfully,

Alasdair McDiarmid
Operations Director