



REPUBLIC OF TÜRKİYE
MINISTRY OF TRADE
Office of the Commercial Counsellor in London

08/08/2022

To Whom It May Concern,

In the wake of widespread media coverage and the official press release, it has come to our attention that the United Kingdom's (UK) Trade Remedies Authority (TRA) has proposed lifting anti-dumping measures applying to certain High Fatigue Performance Steel Concrete Reinforcement Bars (products falling under HS 7214.20 and 7228.30) originating from the People's Republic of China's (PRC) on the grounds of high market demand and anticipated shortfall of supply.

As it is well known, PRC's rebar exports to the European Union, and hence to the UK, have been subject to anti-dumping duties since 2016, as it violates the World Trade Organisation's (WTO) anti-dumping rules. PRC's exports in violation of WTO rules have been proven by investigations, and anti-dumping duties have been calculated, announced and implemented in accordance with WTO rules.

Similarly, the European Commission have implemented WTO safeguard measures since 02/07/2019 against steel imports in 26 categories (including products falling under HS 7214.20 and 7228.30), for alleged domestic market disruptions caused by increased steel imports from different countries (including rebar products).

Subsequent to the UK's departure from the EU as of 31/12/2020, the safeguard measure against steel imports applied by the UK Foreign Trade Department was examined and a "Transition Review" was initiated on 01/10/2020 regarding whether the measure continues to be implemented by the UK. As a result of the transition investigation, announced on 30/06/2021, it was decided that the safeguard measures in 26 categories would be extended for a further 3 years (until 30/06/2024).

Despite the TRA's findings that there had been no increase in long steel products (including rebar) imports or that the removal of the measure was not likely to cause serious harm, the UK opted for the continuation of the measure in these categories, which is considered as uncompliant with the WTO Safeguarding Agreement.

In this context, we would like to share the Republic of Türkiye's stance on this matter.

Unlike Chinese products, Türkiye's construction steel exports will provide a cost advantage by entering the UK without customs duty, owing to the Türkiye-UK FTA, which includes all industrial products within the scope of duty-free trade. Procurement of construction steel from Türkiye is not only advantageous logistically, but also environmentally, particularly as Turkish steel production from electric arc furnaces produces lower emissions as a production method. Additionally, many steel producers in Türkiye operate in accordance with the LEED certificate and are known to be certified by UK CARES in terms of sustainability and the environment.

Allowing PRC's dumped products to enter the market without any quota may possibly cause irreversible damage to the UK market and the EU's sensitivity on anti-dumping may adversely affect possible future investments into the UK. On the other hand, it is thought that increasing Türkiye's quota will not have a disrupting effect on the internal market or competitive landscape and will be a need-based practice.

It should also be emphasised that Türkiye's production capabilities are more than sufficient to cover the UK's need for construction steel (group 13), particularly with uncertainty in supplies from Ukraine, Belarus and the Russian Federation due to political disputes. This could already be seen with Türkiye significantly increasing construction steel exports to the UK with 66,071 tonnes in the first five months of 2022, compared to 36,497 tonnes in the whole of 2021.

Under these conditions, instead of removing the anti-dumping measures against PRC's practices that are in violation of WTO rules and aim to reduce price increases in the UK market or prevent supply shortages, it should be considered that the general removal of safeguarding measures against construction steel or a quota increase for the Republic of Türkiye would be fairer, more appropriate and compliant with WTO rules.

We eagerly await your response to this letter and would like to declare that we are ready and open for further cooperation on this matter.

Kind regards,