

NOTICE OF INITIATION

TRANSITION REVIEW No. TF0006

Safeguard measures on certain steel products

Initiation of a Transition Review of Safeguard Measures

Following the publication of a Notice of Determination,¹ the Secretary of State for International Trade (the 'Secretary of State') makes the following Notice to initiate a transition review of EU tariff rate quotas on certain categories of steel products under regulation 49 of the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019 (the 'Regulations').²

The EU tariff rate quotas subject to review are set out in Commission Implementing Regulation (EU) 2019/159 of 31 January 2019 as amended by Commission Implementing Regulation (EU) 2019/1590 of 26 September 2019, Commission Implementing Regulation (EU) 2020/35 of 15 January 2020 and Commission Implementing Regulation (EU) 2020/894 of 29 June 2020 (the 'EU Regulation').³

The date of initiation of the review is 1 October 2020.

Description of the goods subject to the Tariff Rate Quota and to this Transition Review

For a full description of the goods subject to the Tariff Rate Quota described in the Notice of Determination and the Annexes to this Notice, and subject to this transition review, please see column 2 ("Product category") of Annex 1 to this Notice.

Commodity codes

The commodity codes for the goods subject to review are listed in column 3 ("Commodity codes") of Annex 1 to this Notice.⁴

Tariff Rate Quota

For a description of the terms on which each part of the Tariff Rate Quota is to be allocated or may be utilised, please see Annex 2 to 5.

¹ For a copy of the Notice of Determination please <u>click here</u>. The Notice of Determination is given effect by a public notice dated 30 September 2020. For a copy of the public notice please <u>click here</u>.

² As amended by the Trade Remedies (Amendment) (EU Exit) Regulations 2019 (S.I. 2019 No. 1076), the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019 No. 1319), the Trade Remedies (Amendment) (EU Exit) Regulations 2020 (S.I. 2020 No. 99) and the Trade Remedies (Amendment) (EU Exit) (No. 2) Regulations 2020 (S.I. 2020 No. 730).

³ For a copy of EU Regulation 2019/159 setting out the applicable tariff rate quotas, please <u>click here</u>. For a copy of EU Regulation 2019/1590 which amends Regulation 2019/159, please <u>click here</u>. For a copy of EU Regulation 2020/35 which amends Regulation 2019/159, please <u>click here</u>. For a copy of EU Regulation 2020/894 which amends Regulation 2019/159, please <u>click here</u>.

⁴ For a list of post-EU exit UK commodity codes please <u>click here</u>

Additional rate of import duty

Where the relevant tariff rate quota is exhausted, an additional duty at the rate of 25%, applicable to the net, free-at-the-frontier price, before duty, shall be applied on the product categories set out in Annex 1.

Products originating in certain countries

The origin of any product to which this notice applies shall be determined in accordance with the legislation in force in the United Kingdom relating to non-preferential rules of origin.

Where products originate from countries listed in Annex 3, they shall not be subject to the tariff rate quota, as provided for in regulations 46(6) and (7) of the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019, unless the products from those countries are indicated in Annex 4 as not being exempt from the measures. Goods originating from a particular foreign country or territory may be excluded from the application of a tariff rate quota where the conditions in regulation 44(2) of the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019 have been met.

Reasons for initiating the review

This review is a transitional review of EU tariff rate quotas initiated at the request of the Secretary of State.

Summary of the issues involved in the review

This is a review to consider whether goods belonging to each specified category of steel products were, during the investigation period considered by the European Commission in connection with EU tariff rate quotas, imported into the United Kingdom in increased quantities. This is also a review to consider, based on the information available for the Most Recent Period, if we should reduce or extend the application of the tariff rate quotas (as transitioned) and for how long.

Where these goods were imported, the review will consider whether:

- the importation of those goods in increased quantities would be likely to recur if they were no longer subject to a tariff rate quota;
- there would be serious injury to UK producers of like goods and directly competitive goods if goods belonging to the specified category were no longer subject to a tariff rate quota;
- the continuation of a tariff rate quota is necessary to facilitate the adjustment of UK producers of the like goods and directly competitive goods to the importation of goods belonging to that category; and
- whether an alternative tariff rate quota or the application of a safeguarding amount to goods belonging to that category would better meet the aim of preventing serious injury to UK producers of the like goods and directly competitive goods.

Like goods are goods that are like the goods subject to review in all respects or, if there are no such goods, goods that 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 this transition review.

Period of investigation (POI)

The period of investigation is the years 2013 to 2017 reflecting the period of the original EU investigation.⁵ During the investigation, TRID will use data provided for the period of investigation to assess whether the safeguard measure on certain steel products should be maintained, varied or discontinued in the UK.

Most recent period (MRP)

The most recent period is 1 January 2018 to 30 June 2020. ⁶ During the investigation, TRID will use data provided for the most recent period to assess whether the safeguard measure on certain steel products should be reduced or extended in the UK.

Summary of the review process

The review will involve the following process:

- inviting parties to register their interest in the review;
- issuing questionnaires, where practicable, to:
 - interested parties and contributors who have made themselves known to the Secretary of State during the registration period; and
 - any UK producers, importers and overseas exporters, or their trade or business associations, that the Secretary of State considers relevant to the investigation;
- authentication to further assess and verify information;
- analysing information gathered; and
- publication of a statement of intended final determination.

The statement of intended final determination will include a summary of the facts considered by the Secretary of State during the investigation and will specify the period during which comments will be considered.

Having received comments from interested parties, we will make a preliminary decision on the review and the Secretary of State will then consider whether to give effect to that preliminary decision.

Interested parties may include:

- a government of relevant foreign country or territory;
- any overseas producer, oversees exporter or importer of the goods subject to review;
- any trade or business association representing oversees producers, overseas exporters or importers of the goods subject to review;

⁵ This is the period of investigation set out in the EU Regulation.

⁶ This only applies to our transition review into the EU steel safeguard measure and not to any of our other reviews or cases. The MRP is the period which begins immediately after the end of the POI (as specifically defined under reg. 49(4) of the SG Regs. (as amended)) and runs up to the end of the most recent TRQ quarter before initiation of the review. Data for this period is needed to help us consider whether it is appropriate to reduce or extend the period for which the safeguarding measure applies to the goods concerned in the review.

- any producer of the like goods or directly competitive goods in the United Kingdom; and
- any trade or business association representing UK producers of like goods or directly competitive goods.

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

Oral hearing

Interested parties can request a hearing at any time during the review process using the Trade Remedies Service at https://www.trade-remedies.service.gov.uk/.

For further information about hearings during a transition review, please see our Meetings, Hearings and Visits guidance.

Registration period

Anyone interested in taking part in the review is invited to contact the Trade Remedies Investigations Directorate by **15 October 2020**. You can register your interest through the Trade Remedies Service at: https://www.trade-remedies.service.gov.uk/

Please contact <u>TF0006@traderemedies.gov.uk</u> if you have any difficulties using this service.

It is possible that anyone registering their interest after **15 October 2020** may not be able to fully participate in the review process.

Other comments

Once registered, interested parties and contributors can submit comments on any issues relevant to the review through the Trade Remedies Service.

Information provided during an investigation 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

The <u>Trade Remedies Guidance</u> produced by the Department for International Trade provides more information about the investigations process, including submitting confidential information.

Satjit Singh
Interim Chief Executive (Designate)
Trade Remedies Investigations Directorate
Department for International Trade

1 October 2020

ANNEXES

Annex 1: Product categories and commodity codes

The goods subject to review in this transition review are detailed in the following table⁷:

Product Number	Product category	Commodity Codes
1	Non Alloy and Other Alloy Hot Rolled Sheets and Strips	7208 10 00, 7208 25 00, 7208 26 00, 7208 27 00, 7208 36 00, 7208 37 00, 7208 38 00, 7208 39 00, 7208 40 00, 7208 52 10, 7208 52 99, 7208 53 10, 7208 53 90, 7208 54 00, 7211 13 00, 7211 14 00, 7211 19 00, 7212 60 00, 7225 19 10, 7225 30 10, 7225 30 30, 7225 30 90, 7225 40 15, 7225 40 90, 7226 19 10, 7226 91 20, 7226 91 91, 7226 91 99
2	Non Alloy and Other Alloy Cold Rolled Sheets	7209 15 00, 7209 16 90, 7209 17 90, 7209 18 91, 7209 25 00, 7209 26 90, 7209 27 90, 7209 28 90, 7209 90 20, 7209 90 80, 7211 23 20, 7211 23 30, 7211 23 80, 7211 29 00, 7211 90 20, 7211 90 80, 7225 50 20, 7225 50 80, 7226 20 00, 7226 92 00
4A	Metallic Coated Sheets	TARIC codes: 7210 41 00 20, 7210 49 00 20, 7210 61 00 20, 7210 69 00 20, 7212 30 00 20, 7212 50 61 20, 7212 50 69 20, 7225 92 00 20, 7225 99 00 11, 7225 99 00 22, 7225 99 00 45, 7225 99 00 91, 7225 99 00 92, 7226 99 30 10, 7226 99 70 11, 7226 99 70 91, 7226 99 70 94
4B	Metallic Coated Sheets	CN Codes: 7210 20 00, 7210 30 00, 7210 90 80, 7212 20 00, 7212 50 20, 7212 50 30, 7212 50 40, 7212 50 90, 7225 91 00, 7226 99 10 TARIC codes: 7210 41 00 30, 7210 41 00 80, 7210 49 00 30, 7210 49 00 80, 7210 61 00 30, 7210 61 00 80, 7210 69 00 30, 7210 69 00 80, 7212 30 00 80, 7212 50 61 30, 7212 50 61 80, 7212 50 69 30, 7212 50 69 80, 7225 92 00 80, 7225 99 00 23, 7225 99 00 41, 7225 99 00 93, 7225 99 00 95, 7226 99 30 90, 7226 99 70 19, 7226 99 70 96
5	Organic Coated Sheets	7210 70 80, 7212 40 80
6	Tin Mill products	7209 18 99, 7210 11 00, 7210 12 20, 7210 12 80, 7210 50 00, 7210 70 10, 7210 90 40, 7212 10 10, 7212 10 90, 7212 40 20
7	Non Alloy and Other Alloy Quarto Plates	7208 51 20, 7208 51 91, 7208 51 98, 7208 52 91, 7208 90 20, 7208 90 80, 7210 90 30, 7225 40 12, 7225 40 40, 7225 40 60
12	Non Alloy and Other Alloy Merchant Bars and Light Sections	7214 30 00, 7214 91 10, 7214 91 90, 7214 99 31, 7214 99 39, 7214 99 50, 7214 99 71, 7214 99 79, 7214 99 95, 7215 90 00, 7216 10 00, 7216 21 00, 7216 22 00, 7216 40 10, 7216 40 90, 7216 50 10, 7216 50 91, 7216 50 99, 7216 99 00, 7228 10 20, 7228 20 10, 7228 20 91, 7228 30 20, 7228 30 41, 7228 30 49, 7228 30 61, 7228 30 69, 7228 30 70, 7228 30 89, 7228 60 20, 7228 60 80, 7228 70 10, 7228 70 90, 7228 80 00
13	Rebars	7214 20 00, 7214 99 10
14	Stainless Bars and Light Sections	7222 11 11, 7222 11 19, 7222 11 81, 7222 11 89, 7222 19 10, 7222 19 90, 7222 20 11, 7222 20 19, 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81, 7222 20 89, 7222 30 51, 7222 30 91, 7222 30 97, 7222 40 10, 7222 40 50, 7222 40 90
15	Stainless Wire Rod	7221 00 10, 7221 00 90

⁷ Please note that the list uses the same category numbers and category names as EU Regulation 2019/159 for those goods subject to review within this Transition Review. Product categories 3, 8, 9, 10, 18, 22, and 24, will not be transitioned and are therefore excluded from the list.

16	Non Alloy and Other Alloy Wire Rod	7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50, 7227 90 95
17	Angles, Shapes and Sections of Iron or Non Alloy Steel	7216 31 10, 7216 31 90, 7216 32 11, 7216 32 19, 7216 32 91, 7216 32 99, 7216 33 10, 7216 33 90
19	Railway Material	7302 10 22, 7302 10 28, 7302 10 40, 7302 10 50, 7302 40 00
20	Gas pipes	7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77
21	Hollow sections	7306 61 10, 7306 61 92, 7306 61 99
25A	Large welded tubes	7305 11 00, 7305 12 00
25B	Large welded tubes	7305 19 00, 7305 20 00, 7305 31 00, 7305 39 00, 7305 90 00
26	Other Welded Pipes	7306 11 10, 7306 11 90, 7306 19 10, 7306 19 90, 7306 21 00, 7306 29 00, 7306 30 11, 7306 30 19, 7306 30 80, 7306 40 20, 7306 40 80, 7306 50 20, 7306 50 80, 7306 69 10, 7306 69 90, 7306 90 00
27	Non Alloy and other alloy cold finished bars	7215 10 00, 7215 50 11, 7215 50 19, 7215 50 80, 7228 10 90, 7228 20 99, 7228 50 20, 7228 50 40, 7228 50 61, 7228 50 69, 7228 50 80
28	Non Alloy Wire	7217 10 10, 7217 10 31, 7217 10 39, 7217 10 50, 7217 10 90, 7217 20 10, 7217 20 30, 7217 20 50, 7217 20 90, 7217 30 41, 7217 30 49, 7217 30 50, 7217 30 90, 7217 90 20, 7217 90 50, 7217 90 90

Annex 2: Quarterly Volume of Country and Residual Tariff-Rate Quotas (Year 3)

Product	Product Category	Area/Country	Year 3				
Category Number			From: 1/1/2021 To: 31/3/2021 (tonnes)	From: 1/4/2021 To: 30/6/2021 (tonnes)			
1	Non Alloy and Other Alloy	EU	147,130	148,765			
	Hot Rolled Sheets and Strips	Turkey	23,602	23,864			
	Strips	Other Countries	46,033	46,544			
2	Non Alloy and Other Alloy	EU	69,037	69,804			
	Cold Rolled Sheets	South Korea	9,392	9,496			
		India	7,052	7,131			
		Other Countries	25,994	26,283			
4A	Metallic Coated Sheets	EU	153,111	154,812			
		South Korea	11,475	11,603			
		Other Countries	58,957	59,612			
4B	Metallic Coated Sheets	EU	166,037	167,882			
		China	30,355	30,693			
		South Korea	13,761	13,914			
		Other Countries	32,261	32,620			
5	Organic Coated Sheets	EU	31,093	31,439			
		South Korea	3,798	3,841			
		Other Countries	1,063	1,075			
6	Tin Mill products	EU	32,390	32,750			
	•	China	3,842	3,885			
		Other Countries	4,219	4,266			
7	Non Alloy and Other Alloy Quarto Plates	EU	60,522	61,195			
		Ukraine	7,810	7,896			
		Other Countries	15,527	15,700			
12	Non Alloy and Other Alloy	EU	48,392	48,930			
	Merchant Bars and Light	Turkey	11,278	11,403			
		Other Countries	8,237	8,329			
13	Rebars	EU	42,268	42,737			
		Turkey	16,297	16,478			
		Ukraine	11,274	11,399			
		Belarus	8,249	8,341			
		Other Countries	38,147	38,571			
14	Stainless Bars and Light	EU	11,675	11,805			
-	Sections	Other Countries	2,444	2,471			
15	Stainless Wire Rod	EU	233	235			
. •		Taiwan	59	60			
		USA	35	35			

		South Korea	26	27
		Other Countries	18	18
16	Non Alloy and Other Alloy	EU	63,925	64,635
	Wire Rod	Other Countries	4,060	4,105
17	Angles, Shapes and	EU	142,599	144,183
	Sections of Iron or Non Alloy Steel	Other Countries	21,136	21,370
19	Railway Material	EU	1,331	1,346
		Other Countries	430	434
20	Gas pipes	Turkey	13,527	13,678
		EU	6,686	6,760
		India	3,984	4,028
		Other Countries	1,481	1,498
21	Hollow sections	Turkey	32,387	32,746
		EU	10,966	11,088
		Other Countries	1,898	1,919
25A	Large Welded Tubes	Other Countries	15,722	15,897
25B	Large Welded Tubes	EU	17,022	17,211
		Japan	1,471	1,487
		South Korea	2,283	2,309
		Turkey	1,653	1,67
		Other Countries	1,850	1,871
26	Other Welded Pipes	EU	19,729	19,948
		UAE	11,720	11,850
		Turkey	7,767	7,853
		Norway	5,973	6,039
		China	5,002	5,058
		Other Countries	6,466	6,538
27	Non-Alloy and other alloy	EU	7,144	7,223
	cold finished bars	Turkey	1,371	1,387
		Russia	714	722
		Other Countries	611	618
28	Non Alloy Wire	EU	24,773	25,048
		Turkey	4,336	4,384
		China	2,918	2,950
		Thailand	2,578	2,606
		Other Countries	1,900	1,921

- For each of the product categories subject to the transition review, a part of each tariff rate quota will be allocated to the countries and territories specified in this Annex.
- The remaining part of each tariff rate quota, shall be allocated on a first-come-first-served basis, based on a tariff rate quota established equally for each quarter of the period of application.
- The drawings on each quarterly quota shall be stopped on the twentieth working day of the month following the end of the quarterly period. At the end of each quarter, the unused balances of the tariff rate quota shall automatically be transferred to the next quarter. No

- unused balance at the end of the last quarter of each year of application of the definitive tariff rate quota shall be transferred.
- Where the relevant quota is exhausted for a specific country, imports from that country can access the residual tariff-rate quota for the same product category. This provision shall only apply during the last quarter of each year of application of the definitive tariff-rate quota. For some categories access to the residual quota in the final quarter for countries with a country-specific quota is capped, as set out in Annex 5.

Annex 3: List of 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, Djibouti, 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.

Annex 4: Developing Country Non-Exemptions by Product Category

Product Category Number	Product	Brazil	China	India	Saudi Arabia	Thailand	Turkey	Ukraine	UAE	Vietnam
1	Non Alloy and Other Alloy Hot Rolled Sheets and Strips						Х			
2	Non Alloy and Other Alloy Cold Rolled Sheets	Х		Χ				Χ		Х
4A	Metallic Coated Sheets			Χ			Х			
4B	Metallic Coated Sheets		Χ	Χ			Х			
5	Organic Coated Sheets									
6	Tin Mill products		Χ							
7	Non Alloy and Other Alloy Quarto Plates	Х						Х		
12	Non Alloy and Other Alloy Merchant Bars and Light		X				X			
13	Rebars						Х	Х		
14	Stainless Bars and Light Sections			Χ						
15	Stainless Wire Rod									
16	Non Alloy and Other Alloy Wire Rod									
17	Angles, Shapes and Sections of Iron or Non Alloy Steel									
19	Railway Material									
20	Gas Pipes			Χ			X		X	
21	Hollow sections						X		X	
25A	Large welded tubes				Х					
25B	Large welded tubes						Х			
26	Other Welded Pipes		Χ	Χ			Χ		Х	
27	Non-Alloy and other alloy cold finished bars		Χ				X			
28	Non Alloy Wire		Х			Х	Х			

Annex 5: Caps on residual quota use by countries with a country-specific quota

Product Category Number	Product Category	Cap on access to residual quota (tonnes)
1	Non-Alloy and Other Alloy Hot Rolled Sheets and Strips	32,581*
2	Non-Alloy and Other Alloy Cold Rolled Sheets	26,283
4A	Metallic Coated Sheets	59,612
4B	Metallic Coated Sheets	22,834*
5	Organic Coated Sheets	No access
6	Tin Mill products	4,266
7	Non-Alloy and Other Alloy Quarto Plates	15,700
12	Non-Alloy and Other Alloy Merchant Bars and Light	4,981
13	Rebars	10,183
14	Stainless Bars and Light Sections	1,371
15	Stainless Wire Rod	13
16	Non-Alloy and Other Alloy Wire Rod	No access
17	Angles, Shapes and Sections of Iron or Non-Alloy Steel	21,370
19	Railway Material	434
20	Gas Pipes	No access
21	Hollow sections	401
25A	Large welded tubes	Not applicable
25B	Large welded tubes	1,871
26	Other Welded Pipes	6,538
27	Non-Alloy and other alloy cold finished bars	No access
28	Non-Alloy Wire	1,364

cap for an individual country

These caps have been calculated following the methodology employed by the European Commission in its latest safeguard review:

- For product categories 5, 16, 20 and 27, countries with a country-specific quota will not be allowed to access the residual quota.
- For product categories 10, 12, 13, 14 15, 21 and 28, only access to a specific volume of the residual quota will be allowed, proportional to the volume allowed under the existing EU quota.
- For product categories 1 and 4B no exporting country will be allowed to individually use more than 70% of the residual quota.
- For product categories 2, 4A, 6, 7, 17, 19, 25B and 26, there will be no restrictions on access to the residual quota.
- As category 25A is a global quota anyway, no cap on access to the residual quota will apply.