**Register as a contributor to the case**

**Safeguard measures on certain steel products**

**Case: TF0006**

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| **Period of Investigation (POI):** | 2013 - 2017 |
|  |  |
| **Most Recent Period (MRP):** | 1 January 2018 to 30 June 2020 |
|  |  |
| **Deadline for response:** | 15 October 2020 |
|  |  |
| **Case Team Contact:** | David George, Lead Investigator, TF0006@traderemedies.gov.uk |
|  |  |
| **Completed on behalf of:** | Padley & Venables Ltd |

When you have completed this form, indicate the **confidentiality status** of this document by placing an X in the relevant box below:

Confidential

**x** Non-Confidential – will be made publicly available

Please note that you will have to provide **two copies of your response** – a **Confidential** and a **Non-Confidential version.** Both copies should be returned to TRID using the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk/)) by 15 October 2020.

For further information regarding the POI or MRP, please see the Notice of initiation on the [public file](https://www.trade-remedies.service.gov.uk/public/cases/).

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# **Section A – Your organisation’s interest in the case**

To register your organisation’s interest in this case, please complete the text boxes below. You should use this form if you are not a UK producer, UK importer or overseas exporter of the goods subject to review, like goods or directly competitive goods. For a definition of goods subject to review/ like goods/ directly competitive goods, please refer to the Notice of Initiation.

1. Please describe the role of your organisation in relation to the goods subject to review, like goods or directly competitive goods:

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| --- |
| *Please answer here*  Our company is an importer of engineering steels subject to Category 12 steel safeguarding measures |

1. Please describe your interest in this case:

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| *Please answer here*  We are a manufacturer in the UK that cannot acquire the steels it requires from a UK source. As such we purchase our steels in Europe. These safeguarding measures are counter-productive in terms of safeguarding jobs in our case because they are actually putting jobs at risk. |  |

# **Section B – Additional information**

Use the box below to provide any other relevant information which you think would be useful to help our review.

This may include:

* other parties which you think should be invited to register an interest in the case;
* scope of the review, including product categories and/or custom codes you think should be added or removed, and reasons why; or
* anything else you consider relevant.

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| Padley & Venables Ltd – The effects of Steel Safeguarding Quotas  P&V Ltd is made up of two operating divisions, Padley & Venables in Dronfield and Bedford Steels in Sheffield.  P&V is 110years old and Bedford Steels is over 200years old.  P&V Ltd has been owned by Brunner & Lay International, an American corporation, since 1993.  P&V Ltd has 200 employees and managed to work fully throughout the pandemic and kept all our taxes on the original due dates.  Bedford Steels was the original inventor of Hollow Drill steel, a product that is used extensively around the World in the mining of minerals and in the construction industry for tunnelling. They one of only five producers in the World and only one of two producers that supply the full range of sections, sizes and qualities. Bedfords produces it Hollow Drill steel for P&V, its owner Brunner & Lay and also for their competitors around the World.  P&V produces three main products, Contractors Tools (Hand Held tool applications such as paving breaker & asphalt cutting tools used in pneumatic hammers), Demolition Tools (Boom mounted tools used in the construction, demolition and quarrying industries) and Rock Drilling (Consummable tooling used in the mining of minerals, quarrying, tunnelling and construction industries). These are currently sold in 56 different countries Worldwide. We export approx. 80% of our business.  Both divisions have competitors around the World from Europe, to the Americas, from Asia to Africa. It is a highly competitive market place.  All the steel that the two divisions imports falls under Category 12 of the Safeguarding Quotas.  Now we do not totally disagree with the quotas, we are steel industry people and it is very sad to us that, in all of our history, this is the first year that neither division will purchase any steel from a UK producer.  How has it come to this………………..  **Bedford Steels** – Purchased between 4,000tonnes and 10,000 tonnes of steel per annum via British Steel, Corus and Tata over many, many years. In the mid ‘00’s we were having delivery reliability issues from Corus Steel (as it was then called) so we made a business decision that we need security of supply and the best way to achieve that was to have a more meaningful second supplier of our steels. This was to be Ovako, a Scandinavian company that we were already purchasing from at both divisions but in small quantities.  In the late 00’s Corus became more focused on higher value products for such industries as Aerospace and Oil & Gas. This lead the to say to us if you want it, you need to pay a higher price for it! We moved further towards Ovako at that time because our business could not cope with Corus’s higher prices.  Then the big economic crash of the 2008/09/10 occurred, Corus became Tata and they moved further away from wanting to supply Bedford steel grades.  We continued to request quotations over the years but the pricing they offered was always significantly greater than we were then paying.  In 2017/18, Corus/Tata was now Liberty, we recognised potential issues with Brexit realting to possible disruption of supply and consequently started talking to Liberty regarding our steel requirements. Initially it was relatively positive, prices were more expensive but closer to Ovako’s and we offered to take a test cast and if everything was ok we agreed to split our requirements 50/50 between them and Ovako. Unfortunately it floundered on the fact that Liberty could not (or did not want to) meet our specifications. Specifications that were met in previous years when they were our prime supplier! This has never gone any further and therefore we have no supply in the UK.  Bedfords are currently purchasing approx. 7,000tonnes per annum. Average cost £900 per tonne. A 25% tariff on top of all this would equate to £1.6M.  **Padleys** – Purchases a number of different types/grades of steel for different products.  Tube approx. 600tonnes per annum – All comes from Europe as there isn’t anywhere in the UK that produces the grades we require.  Bar 1,500tonnes per annum – These are alloy steels for specific rock drilling products ie Shanks, Threaded Button Bits, Couplings etc. All comes from Europe as there isn’t anywhere in the UK that produces the grades we require.  Hollow Drill approx. 1,600tonnes per annum – From Bedfords. These are used in the manufacture of a myriad of drill rods.  Demo Steel – approx. 800/1,200tonnes per annum- All this used to be purchased via British Steel/Corus/Tata/Liberty. Until this year.  The UK steel supply situation is an unfortunate one in terms of the Liberty Steels mills at both Rotherham & Stocksbridge, these two have been our supply route for Demo tool Steel material for over 20 years.  Our trading partnership over these years as yielded a supply tonnage in of excess of 1000 to 1200 Tonnes per annum in a successful and mutually beneficial supply chain over a long period of time.  But due to the uncertainty surrounding Liberty and their inability to supply P&V we have been forced to move supply of raw material elsewhere, this is somewhere in the region of 1000+ Tonnes of raw material in bar form steel to a European mill for continuity of supply.  May I add that the decision to cease trading was on Liberty’s part due to the unfortunate circumstances they find themselves in financially, P&V explored and tried various ways of trying to keep the supply chain between both companies on-going but to no avail.  Liberty Scunthorpe still continues to trade but can’t supply the size diameters P&V require and unfortunately with no other major steel mills melting and producing in the UK, this has left our only viable option to source material from outside the UK.  I explored the option and proposed the following proposal to Liberty, which initially was looked at and later rejected, could we pay “so called up front” for a cast (150 Tonnes) of our Material, this would have aided both companies in these difficult times, the estimated value of this cast alone would have been in the region of £176.000 in to Liberty’s accounts.  This wasn’t/isn’t really a viable option for Liberty now and their current business plan, which is to get as much revenue back into the business quickly to avoid closure or administration proceedings; therefore they are currently concentrating melting and rolling on high value grades only such as Aerospace, Automotive and Oil & Gas.  So our only option was to source material via other steel mills outside the UK, these are mainly situated within the European union countries such as the Czech Republic, Spain, Sweden, Finland and Turkey (although Turkey aren’t in the union) but have good mills and can offer a wide range of material grades.  To finalise, our only options in purchasing our spec of Material is also limited, to whether a Mill can, and are willing to melt and roll our particular grades, P&V as a company have no option but to look and purchase material abroad, whether it be via a European source, or so call further afield supplier.  P&V Division is currently purchasing approx. 4,000tonnes per annum at an average cost £800 per tonne. A 25% tariff on top of all this would equate to £800K.  As P&V Ltd (combined P&V and Bedford Steels divisions), we face a potential £2.4M extra cost to the business, which in turn means we would become a non-profitable organisation and as such would mean 200 jobs are at risk. |  |

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