

26 October 2021

Opinion of the Government of Taiwan (R.O.C.)

Regarding the Reconsideration of an original decision in Transition

Review No. TF0006: Safeguard measures on certain steel products

On behalf of the Taiwan Government, the Bureau of Foreign Trade of the Ministry of Economic Affairs thanks you for this opportunity to present our opinion regarding the Reconsideration of an original decision in Transition Review No. TF0006: Safeguard measures on certain steel products conducted by the Trade Remedies Authority (TRA) of the UK. The Taiwan government retains the view that the UK should not extend the period for these safeguard measures. If revocation is not an option, the TRA should at least not expand the products scopes or extend the measures on categories 6, 7, 12, 16, and 17 to a 3-year period.

- As we mentioned in our previous comments on 26 May 2021, safeguard measures are an emergency action that adversely affect fair trade. Since steel prices and demand remain high, and many countries had already revoked their trade remedy measures, we find it difficult to see the merit in the UK maintaining its safeguard measures.
- The pandemic has caused traffic jams in maritime shipments and

this leads to unstable logistics for international trade, making it extremely challenging for exporters to correctly predict when they could make the next shipment. Given this panorama, the safeguard measures could result in additional uncertainties: if a shipment arrives when the quota has run out, the importers will face a 25% safeguard tax. Furthermore, the 25% tax might be reflected on the costs for the downstream sectors, the manufacturers, and consumers. None of these are encouraging news for a post-pandemic economic recovery.

- Pursuant to the spirit of Articles 7.2 and 7.4 of the WTO Agreement on Safeguards, we believe that the UK could focus on domestic industry adjustments and the pace of liberalization. The safeguard measures that cause added burdens to international trade would impede a swift post-pandemic recovery for the UK and the world.

In light of the above, we hope that the TRA would carefully weigh matters in this Reconsideration and even consider the possibility of removing the safeguard measures, or at least not expanding their scope or their period of application on steel goods.