



HOUSE OF COMMONS

LONDON SW1A 0AA

Mr Oliver Griffiths
Chief Executive Designate
Trade Remedies Investigations Directorate
North Gate House
21-23 Valpy Street
Reading
Berkshire
RG1 1AF

25 May 2021

Dear Mr Griffiths,

I am writing as the Member of Parliament for Scunthorpe in response to the Trade Remedies Investigations Directorate (TRID) recent publication of its Statement of Intended Preliminary Decision on UK Steel Safeguards.

I have looked through the TRID's preliminary recommendations and discussed your findings at length with steelworks in my constituency, industry bodies, and Parliamentary colleagues. My view is that the existing recommendations are flawed and, if implemented, will be deeply damaging to the UK steel industry.

As a stakeholder, I would like to highlight a number of issues with the TRID's assessment which I will go into detail below:

TRID's approach ie product category assessment

At the onset, the TRID's decision to make recommendations based solely on individual assessments of product categories is flawed. By taking this approach TRID disregards the interconnectivity of steel products and the realities and production economics of steel plants.

The TRID will be aware that steel products of varying "categories" need to be produced at scale in order to be viable. This means that an increase in imports in an unprotected category will invariably affect the viability of another product protected by the Steel Safeguards.

There is no question that the UK will be a dumping ground for the US, Europe and producers across the world, once the Steel Safeguards are removed from key categories of steel. Given



TRID's awareness of the impact of imports on domestic markets, it is troubling that it did not assess the impact of the knock-on effect on interconnected productions. Indeed, the TRID has failed to provide assurances that its recommendations, if implemented, will not damage the UK steel industry.

TRID's flawed choice of data

In the first instance, the decision to base decisions on the analysis between 2013 and 2017 is itself unreliable, as it does not consider the implications of Section 232 of the US Trade Expansion Act, which was introduced in 2018. Whilst the dataset can be useful to some extent, the TRID should recognise that the data gathered during this timeframe can not be solely relied upon for any decision-making process.

Furthermore, it is baffling that TRID can repeatedly cite the lack of data and/or submission as its justification to dismiss key arguments and remove the Steel Safeguards from key product categories.

The TRID should have been aware that its use of HMRC import data is incomplete and does not reflect the on-ground reality of steel imports due to numerous reasons, one of which is that it is based on the EU Commission's formulae that only requires Member States to capture 93% of their estimated trade with other EU states. A much more reliable alternative would be the International Steel Statistics Bureau (ISSB), which is believed by industry bodies to reflect a more accurate picture of UK imports. Unfortunately, I can not find any references to ISSB statistics - indeed I would appreciate an explanation on why the TIRD has refused to use ISSB statistics for its analysis.

The timing of the current decision

The TRID has indicated that it is not in the position to assess the short or long-term impact of COVID-19. It is also unable to reflect on the impact of EU Steel Safeguards on the UK, introduced earlier this year.

Whilst the TRID has made some assumptions based on the generalised cost of production and



profit margin during the recent time period, it failed to take into account the market potential, future plans, and the setbacks faced by the UK Steel Industry during the time period. Indeed, I am aware of a number of investment projects aiming to tap into potential markets that will have to be rolled back if the TRID's interim determination is implemented in full.

It is regrettable that the TRID has dismissed the collective impact of the UK's transition from the EU and the impact of Coronavirus as issues that did not meet what seemed to be the "serious injury" test. The argument is, to my mind, semantical and one can also argue that the TRID can not guarantee that these factors, combined with the relaxation of safeguard measures for half of the product categories, will not result in "serious injury" to the UK steel industry.

The TRID will know that the purpose of the Steel Safeguards is to provide a stable environment for the sector and protecting against unprecedented import surges. It is clear that the TRID did fully take into account the views of UK Steel producers or the knock-on effect of its recommendations on jobs, supply chain, and local economies across steel-producing parts of the UK. It is even more absurd that many of the TRID's recommendations, which, if implemented, will affect the daily lives of my constituents can be made when the TRID has clearly admitted that there simply isn't enough data to make a fully educated decision.

I would urge the TRID, in the strongest terms, to reflect on the points above and reconsider the TRID's recommendations. Given the urgency of this matter, I would expect my points above to be addressed in full to inform my ongoing discussions with Ministers, colleagues, and industry stakeholders.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Holly'.

Holly Mumby-Croft MP

