

## STATEMENT RE PRODUCT GROUPS 20 AND 21

*Following the post Brexit settling of procedures, we would further submit additional comments below.*

*We have grouped the above two Groups together due to the fact that there is a commercially incorrect allocation of CN codes as already pointed out in our questionnaire.*

*The import quantity of these two Groups in 2019 (the most recent non pandemic year) was 254,862 tonnes (source ISSB Business & Trade Statistics).*

*Aside from minimal production from Liberty Steel the sole UK producer is Tata who state a production capacity of 250,000 tonnes (source tatsateeleurope/sites website).*

*We need not dwell on the true capacity of Tata, which may well be significantly less for these Groups and are not taking into account any tonnage they may export, nor any commercial focus they may or may not have that excludes availability for various buyers.*

*The fact is that, post Brexit, free access to imports is the very life blood for many distributors and end users.*

*Neither importers, distributors nor end users can financially absorb a 25% duty, except in exceptional circumstances as has partly prevailed in 2021 with sharply rising steel prices largely attributable to pandemic related trade imbalances.*

*The single most strategically critical source is Turkey, a traditional and consistent supplier to our market over many, many years, where Quota was exceeded on 1.1.21 and is expected to also on 1.4.21. Data already provided in our submission further confirms the supply distortion caused by the quotas.*

*The fear of exceeding a Quota will further discourage buying and potentially contribute further to an artificial shortage.*

*In the event of a shortage we can only see one winner, the domestic producer, whilst losers will be the half dozen importers, their forty customers and hundreds of end users who will either have no material or pay prices at an artificial premium to world prices.*

*Whilst we believe that the feared surges will not happen, it is clear that existing quotas fall short of market requirements, but if continued need to be in excess of historical levels to allow for the strength of construction during the pandemic and the construction-led path out of economic contraction. At the same time duties should act as a correction not a punishment where 5% maximum is a more sensible level for a low margin product like steel.*

*The UK now has the opportunity to define its own trade policies rather than be restricted by a common denominator of 27 other countries, all with differing economic and political aims/strategies.*

