



# BRITISH STAINLESS STEEL ASSOCIATION

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Trade Remedies Investigations Directorate  
Department for International Trade  
21-23 Valpy Street  
Reading  
RG1 1AF  
5<sup>th</sup> February 2021

Ref: **UK Trade Remedies Transition Policy: Safeguarding Quotas and tariffs within the stainless steel market.**

Dear Sir / Madam

I am writing to you and other agencies listed at the end of my letter to draw your attention to several issues raised by the members of the British Stainless Steel Association (BSSA) concerning Safeguarding Quotas and Tariffs. As Managing Director for the said trade association, I wish to express the concerns of our members. The BSSA represents 150 member companies involved in the total supply chain for stainless steel in the UK, from mining of raw materials, through to production, distribution, material enhancement, and on to fabrication and manufacturing and our members are all effected by either import or export of stainless steel or products produced from stainless steel. I believe that the BSSA is in a strong position to give an overview of the situation and the impact on our members and manufacturing overall in the UK.

I will firstly give a brief overview of the UK Stainless Steel Industry and the supply chain for certain key products.

## **STAINLESS STEEL MELTING CAPABILITIES IN THE UK:**

There is limited stainless steel melting production in the UK. The 2 main producers are now Outokumpu Stainless Ltd and Liberty Speciality Steels. Both companies produce a limited range of market specific stainless steels mostly for the bar rod and wire markets, although Liberty do produce some coil products for specialist markets. Please find the following links to their product and market information:

<https://libertysteel.co.uk/app/uploads/2020/07/Liberty-Speciality-Steels-Narrow-Strip-Stainless-Steel.pdf>

<https://libertysteel.co.uk/products/aerospace-bar/>

<https://libertysteel.co.uk/products/oil-gas-bar/>

<https://www.outokumpu.com/en/locations/sheffieldsmac>

## **UK PRODUCTION OF SEMI FINISHED, BARS & RODS AND WIRE:**

Annually the UK produces approx. **130-200,000** tonnes of semi-finished products **35,000** Tonnes of Bar & Rod, **2,500** Tonnes of Wire and **3,500** Tonnes of Hot Rolled Coils in stainless steel. Most of the exported materials listed are sent for further working in Sweden, Germany & USA along with many smaller consumers including India & China. Total Stainless melt shop capacity is ~4/500,000 tonnes fully loaded with 70% of slab production being exported to other Outokumpu production sites for onward processing. The remaining 30% is either sold to other mills or used in the current limited production of Wire, Bars and Rod in the Outokumpu facility in Sheffield.

<https://www.outokumpu.com/en/locations/sheffieldssrb>

## MARKET SIZE:

Imports of materials conforming to the commodity codes in accordance with the Overseas Trade Data published on the UKTRADEINFO.com website relevant to the investigations. Please find the link to the data source:

<https://www.uktradeinfo.com/trade-data/ots-custom-table/>

Imports have averaged ~290,000 Tonnes per year for HS Code Section 72 between 2013-2020

Imports have averaged ~78,000 Tonnes per year for HS Code Section 73 between 2013-2020

Total UK imports for stainless steel average is 368,000 tonnes per year.

## Stainless steel imports HS Code 72 2013-2020 (Nov):

Sum of Net Mass (Kg)		Column Labels								
Row Labels		2013	2014	2015	2016	2017	2018	2019	2020	
EU		241593896	256342716	223875451	222393430	221237008	229139125	237235264	179083874	
7218 Stainless steel in ingots or other primary forms (excl. remelting scrap ingots and products obtained by continuous casting); semi-finished products of stainless steel		6684466	5313583	4096625	1706823	2017990	2728526	4927217	3054974	
7219 Flat-rolled products of stainless steel, of a width of >= 600 mm, hot-rolled or cold-rolled "cold-reduced"		153099495	161302639	143135327	145892701	141110316	139193211	142955717	111693724	
7220 Flat-rolled products of stainless steel, of a width of < 600 mm, hot-rolled or cold-rolled "cold-reduced"		23283912	28270761	26191128	29018723	30332506	30540183	29220060	21058848	
7221 Bars and rods of stainless steel, hot-rolled, in irregularly wound coils		760816	1129234	1058261	617713	866203	668548	761728	1156438	
7222 Other bars and rods of stainless steel; angles, shapes and sections of stainless steel, n.e.s.		52010488	55925241	44935479	40527966	42053330	50880215	54095578	37954860	
7223 Wire of stainless steel, in coils (excl. bars and rods)		5754719	4399458	4458631	4629504	4856663	5128442	5274964	4165030	
NON-EU		59758466	85819889	90096896	56655357	65814379	67924482	59419922	39725985	
7218 Stainless steel in ingots or other primary forms (excl. remelting scrap ingots and products obtained by continuous casting); semi-finished products of stainless steel		4776107	5483203	3469961	3404139	3561248	3618258	4337570	1684400	
7219 Flat-rolled products of stainless steel, of a width of >= 600 mm, hot-rolled or cold-rolled "cold-reduced"		28111952	46700553	59849125	29894869	38349159	40529248	29374057	22727175	
7220 Flat-rolled products of stainless steel, of a width of < 600 mm, hot-rolled or cold-rolled "cold-reduced"		11653681	10628221	8909234	7567408	6931476	5854741	8030541	4779108	
7221 Bars and rods of stainless steel, hot-rolled, in irregularly wound coils		248634	1960140	399298	463335	597309	792744	293714	114949	
7222 Other bars and rods of stainless steel; angles, shapes and sections of stainless steel, n.e.s.		9490264	11894900	10121469	7778519	8793683	8435052	7967629	4282305	
7223 Wire of stainless steel, in coils (excl. bars and rods)		5477828	9152872	7347809	7547087	7581504	8694439	9416411	6138048	
Grand Total Kgs		301352362	342162605	313972347	279048787	287051387	297063607	296655186	218809859	

## Stainless steel imports HS Code 73 2013-2020 (Nov):

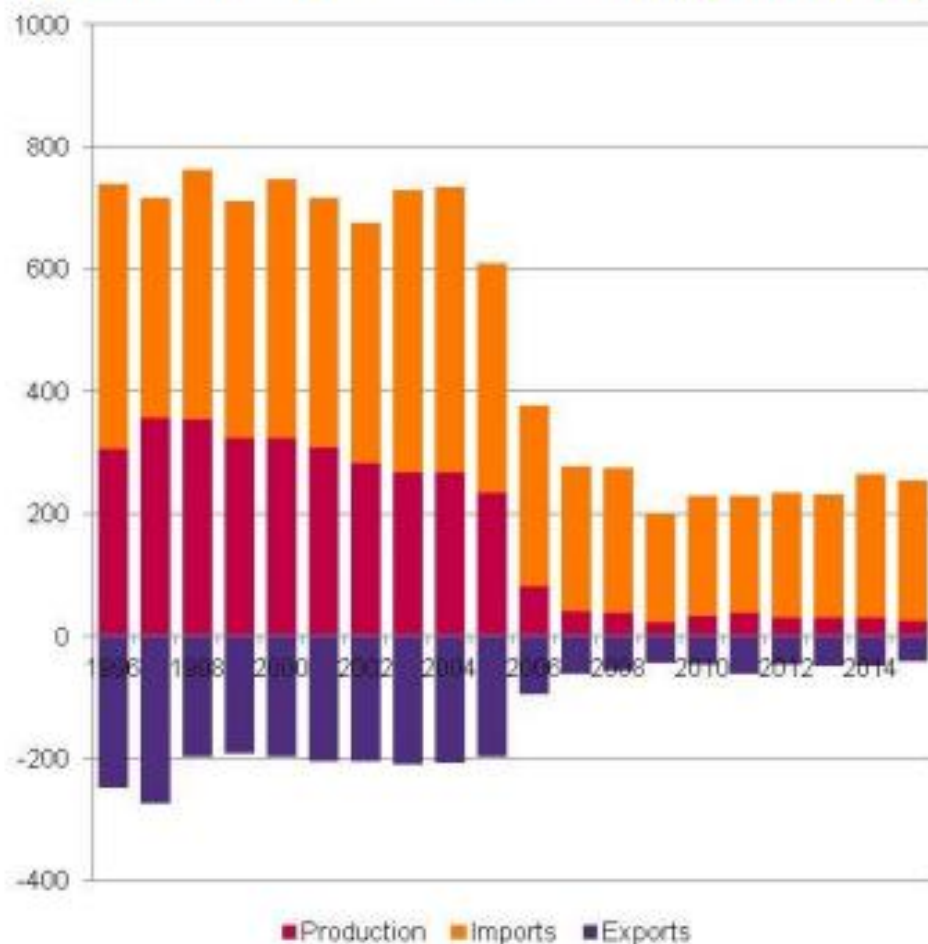
Sum of Net Mass (Kg)		Column Labels								
Row Labels		2013	2014	2015	2016	2017	2018	2019	2020	
EU		65510082	50916329	49590998	42941166	46539188	46352881	55038473	35274951	
7304 Tubes, pipes and hollow profiles, seamless, of iron or steel (excl. products of cast iron)		20183814	10997994	12357138	6796306	8397718	9260674	15022872	9322788	
73041100 Line pipe of a kind used for oil or gas pipelines, seamless, of stainless steel		11064699	1098261	2577751	1399015	942839	878799	3380048	3217646	
73042200 Drill pipe, seamless, of stainless steel, of a kind used in drilling for oil or gas		301438	464253	205285	229614	569409	1799	19421	27472	
73042400 Casing and tubing, seamless, of a kind used for drilling for oil or gas, of stainless steel		545509	533888	925307	552133	479572	318471	425422	695295	
73044100 Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, cold-drawn or cold-rolled "cold-reduced" (excl. line pipe of a kind used for oil or gas pipelines, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced", unworke		3556030	4688562	5282067	1759844	3254413	4692566	5281294	1724458	
73044910 Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced", of an external diameter of <= 406,4 mm		286230	240192	300084	173777	691184	419943	663872	30496	
73044993 Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced", of an external diameter of <= 406,4 mm		3891261	2957807	3231653	2107108	2190097	2657913	2457261	1711440	
73044995 Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced", of an external diameter of >= 406,4 mm		450197	909714	643209	528483	267697	283317	580491	402602	
73044999 Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced", of an external diameter of >= 406,4 mm		88450	85317	101782	46332	2507	7866	2215063	1513379	
7306 Tubes, pipes and hollow profiles "e.g., open seam or welded, riveted or similarly closed", of iron or steel (excl. of cast iron, seamless tubes and pipes and tubes having internal or external circular cross-section)		30440906	29891971	29563293	27302641	28363144	28844901	31503170	19826740	
73061110 Line pipe of a kind used for oil or gas pipelines, longitudinally welded, of flat-rolled products of stainless steel, of an external diameter of <= 406,4 mm		482274	371644	586823	584442	2230703	2482570	2967442	916420	
73061190 Line pipe of a kind used for oil or gas pipelines, spirally welded, of flat-rolled products of stainless steel, of an external diameter of <= 406,4 mm		1109222	2960		39300		79092	16058	71	
73062100 Casing and tubing of a kind used in drilling for oil or gas, welded, of flat-rolled products of stainless steel, of an external diameter of <= 406,4 mm		17486	19	76	22659	20386	2777	18326	1510	
73064020 Tubes, pipes and hollow profiles, welded, of circular cross-section, of stainless steel, cold-drawn or cold-rolled "cold-reduced" (excl. products having internal and external circular cross-section)		12197933	13738722	12357466	11467173	11937375	10062749	6004795	3590620	
73064080 Tubes, pipes and hollow profiles, welded, of circular cross-section, of stainless steel (excl. products cold-drawn or cold-rolled "cold-reduced", tubes and pipes having internal or external circular cross-section)		8901993	8214167	8728326	7542939	6931332	8714845	14735708	8380202	
73066110 Tubes and pipes and hollow profiles, welded, of square or rectangular cross-section, of stainless steel		7632104	7517778	7847256	7585307	7189437	7459415	7704720	6895597	
73066910 Tubes, pipes and hollow profiles, welded, of non-circular cross-section, of stainless steel (excl. tubes and pipes having internal and external circular cross-section)		99894	46681	43346	60821	53911	34353	56121	42320	
7307 Tube or pipe fittings "e.g. couplings, elbows, sleeves", of iron or steel		9596028	8031429	6839626	8143983	9619500	8080465	8379152	5851659	
73072100 Flanges of stainless steel (excl. cast products)		3682772	2749726	1659166	1564421	1662511	1508573	1708191	1754058	
73072210 Sleeves, of stainless steel, threaded (excl. cast products)		159619	336553	204490	44162	189075	265174	103658	100554	
73072290 Elbows and bends, of stainless steel, threaded (excl. cast products)		892414	160787	202736	112368	157734	275650	295183	395335	
73072310 Butt welding elbows and bends of stainless steel (excl. cast products)		525788	540643	466523	427815	368712	320468	575699	295366	
73072390 Butt welding tube or pipe fittings of stainless steel (excl. cast products and elbows and bends)		533799	537697	474091	524172	539574	578873	575920	254670	
73072910 Threaded tube or pipe fittings of stainless steel (excl. cast products, flanges, elbows, bends and sleeves)		815811	987293	763915	564778	621263	711286	760752	576628	
73072980 Tube or pipe fittings of stainless steel (excl. cast, threaded, butt welding fittings and flanges)		2985825	2718730	3068705	4906267	6080631	4420441	4359789	2510848	
7312 Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel (excl. electrically insulated products and twisted fencing wire and barbed wire)		5289334	1994935	830941	698236	158826	166841	133239	273764	
73121020 Stranded wire, ropes and cables, of stainless steel (excl. electrically insulated products and twisted fencing wire and barbed wire)		5289334	1994935	830941	698236	158826	166841	133239	273764	
NON-EU		2664889	26230986	23283290	2517762	25900263	30152540	49315516	26402190	
7304 Tubes, pipes and hollow profiles, seamless, of iron or steel (excl. products of cast iron)		7545467	6346827	4374748	3893837	3925732	6724987	12071151	7040880	
73041100 Line pipe of a kind used for oil or gas pipelines, seamless, of stainless steel		3197478	2125126	1641219	1649418	413604	531670	338299	272968	
73042200 Drill pipe, seamless, of stainless steel, of a kind used in drilling for oil or gas		1298020	901547	315068	558759	1608082	1046112	937980	314857	
73042400 Casing and tubing, seamless, of a kind used for drilling for oil or gas, of stainless steel		199975	736862	348696	48537	134131	3508800	9159643	5786040	
73044100 Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, cold-drawn or cold-rolled "cold-reduced" (excl. line pipe of a kind used for oil or gas pipelines, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced", unworke		1777447	1587212	1553122	1107086	1179497	1435660	1505604	959660	
73044910 Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced", unworke		70724	93441	89534	136754	205791	55915	24350	12809	
73044993 Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced", of an external diameter of <= 406,4 mm		912657	742716	328064	345876	238581	76347	58944	44695	
73044995 Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced", of an external diameter of >= 406,4 mm		61066	105744	75011	21426	120314	60494	36762	2802	
73044999 Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced", of an external diameter of >= 406,4 mm		28100	54179	24034	25981	25732	9989	9629	7049	
7306 Tubes, pipes and hollow profiles "e.g., open seam or welded, riveted or similarly closed", of iron or steel (excl. of cast iron, seamless tubes and pipes and tubes having internal or external circular cross-section)		10917676	10156862	10629970	11527473	13727677	15619281	26977103	11242783	
73061110 Line pipe of a kind used for oil or gas pipelines, longitudinally welded, of flat-rolled products of stainless steel, of an external diameter of <= 406,4 mm		505718	55979	310060	784688	1977793	1566356	1628724	495326	
73061190 Line pipe of a kind used for oil or gas pipelines, spirally welded, of flat-rolled products of stainless steel, of an external diameter of <= 406,4 mm		324	2955	650635	376212	97826	137549	154559	56407	
73062100 Casing and tubing of a kind used in drilling for oil or gas, welded, of flat-rolled products of stainless steel, of an external diameter of <= 406,4 mm		51637	432560	15779	2317	4390	49812	2686	17069	
73064020 Tubes, pipes and hollow profiles, welded, of circular cross-section, of stainless steel, cold-drawn or cold-rolled "cold-reduced" (excl. products having internal and external circular cross-section)		1979419	2297927	1777762	2600108	2009269	2112926	1624103	1287125	
73064080 Tubes, pipes and hollow profiles, welded, of circular cross-section, of stainless steel (excl. products cold-drawn or cold-rolled "cold-reduced", tubes and pipes having internal or external circular cross-section)		7432739	6117390	6356276	6419279	7469798	8774811	7167291	4059720	
73066110 Tubes and pipes and hollow profiles, welded, of square or rectangular cross-section, of stainless steel		909301	1191950	1509477	1300499	2163999	2922260	16389293	5229266	
73066910 Tubes, pipes and hollow profiles, welded, of non-circular cross-section, of stainless steel (excl. tubes and pipes having internal and external circular cross-section)		38538	58101	9981	44370	4602	55567	10447	97870	
7307 Tube or pipe fittings "e.g. couplings, elbows, sleeves", of iron or steel		6413980	6876658	5783007	7076962	6400854	6074583	6883514	4532297	
73072100 Flanges of stainless steel (excl. cast products)		2525442	3388302	2173762	3122646	3037569	2786101	2858107	1704631	
73072210 Sleeves, of stainless steel, threaded (excl. cast products)		264046	210208	643779	412268	312923	235414	1022963	658013	
73072290 Elbows and bends, of stainless steel, threaded (excl. cast products)		365085	329142	358843	672783	611811	460982	522412	471524	
73072310 Butt welding elbows and bends of stainless steel (excl. cast products)		906176	118879	683229	815878	301061	469477	587126	150917	
73072390 Butt welding tube or pipe fittings of stainless steel (excl. cast products and elbows and bends)		183916	426139	475264	196028	100736	122258	134286	220471	
73072910 Threaded tube or pipe fittings of stainless steel (excl. cast products, flanges, elbows, bends and sleeves)		356908	477292	477756	477086	667986	685055	737523	537912	
73072980 Tube or pipe fittings of stainless steel (excl. cast, threaded, butt welding fittings and flanges)		1812407	1219876	970374	1380273	1368768	1315296	1021097	779829	
7312 Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel (excl. electrically insulated products and twisted fencing wire and barbed wire)		1767746	2850639	2495565	2678990	1846000	1733689	3383748	3235230	
73121020 Stranded wire, ropes and cables, of stainless steel (excl. electrically insulated products and twisted fencing wire and barbed wire)		1767746	2850639	2495565	2678990	1846000	1733689	3383748	3235230	
Grand Total		92154951	77147315	72874288	68118428	72439451	76505421	104353989	61677141	

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Registered Office: BSSA, Pegasus House, 463A Glossop Road, Sheffield, S10 2QD

The below table give an excellent overview of the UK production capabilities referenced against exports and imports.

Source: ISSB, Platts, Hatch

### Exhibit 138: Stainless Steel Supply in UK (kt)



#### ISSUES:

The Stainless steel industry has two significant issues that we wish to highlight:

- Safeguarding measures for stainless steel: Why?
- Combining stainless steel into quotas with carbon steel

#### Safeguarding Measures:

As indicated and explained in the introduction, there is stainless steel production within the UK, but this is rather limited, and the products are rather specialised.

Current safeguarding measures as directed in Determination: 2020/06 - Safeguarding measures on certain steel products – application of tariff rate quotas published 30<sup>th</sup> September 2020, have been questioned by many of our members.

Firstly, there are products included within the measure that the UK does not produce. Therefore, there should be no safeguarding measures for these items. I refer to a Government BEIS Paper where it states on page 242 in the Capacity Summary that there is NO CAPACITY IN THE UK. Document link:

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Although I do not fully endorse the “no capacity” position, manufacturing within the UK is limited to primary slab production, bars, rods and wire up to 30mm dia.

Therefore, the articles in section 14 Stainless Bars and Light Sections should not really be safeguarded as there is only limited UK capabilities for production. And many of the items included in the safeguarding measures are not produced at all. Examples are 72224010 Angles shapes and sections hot drawn or extruded, 72224050 Angles shapes and sections cold formed or cold finished, 72221111 Bars and rods of stainless steel, not further worked than hot-rolled, hot-drawn or extruded, of circular cross-section of a diameter of  $\geq 80\text{mm}$ , containing by weight  $\geq 2.5\%$  nickel etc.

Section 21 : Hollow Sections HS Code 73066110 Tubes and pipes and hollow profiles, welded, of square or rectangular cross-section, of stainless steel

There are manufacturers in the UK of sections. However, they do not produce volume or standard products that are used in the manufacture of such items as catering equipment, construction or general fabrication (frames and supports). Our UK based manufacturers tend to specialise in the difficult, non standards where they do not have to compete with the bulk manufacturing capabilities of the Italian tube makers or the Far East. However, the UK market is being penalised by lack of materials. Costs will increase for manufacturers should they be penalised by quota tariffs.

Section 26 Other Welded Pipes: Again very limited UK production, and the majority of UK producers are comparatively small volume, specialist manufacturers such as W E Bates <https://www.w-e-bates.com/products/> Fine Tubes Ltd <https://www.finetubes.co.uk/> and Energy Tubes Ltd <https://www.energytubes.com/>. There are no manufacturers producing volume stainless steel pipes over 403mm dia, but these are safeguarded.

#### **COMBINED STAINLESS STEEL AND CARBON STEEL QUOTAS:**

In Sections 21 and 26 there is a further issue that may impact detrimentally upon the Stainless steel industry. The quotas for stainless steel are included within an overall heading for all types of steel.

We as an industry have an issue with this. Firstly, as detailed in my synopsis before, and I have already asked the question of justifiable safeguarding measures for stainless steel in the UK. However, should these continue, the calculation methodology and impacts on the UK end user markets needs to be reviewed.

The stainless steel industry and the carbon / mild steel industry are not connected. Although markets are sometimes shared, such as construction, the reasons for the use of stainless steel can be very specific, generally to solve problems caused by corrosion or for aesthetic reasons. The supply routes to markets are not normally shared or connected. The producing mills are not the same, and carbon / mild steel distribution businesses frequently do not operate in the stainless steel market, or if they do then they would operate as separate divisions and sell both carbon and stainless but have different teams and generally different premises looking after the products.

Therefore, it is very difficult for the stainless steel market to get an understanding of the much larger carbon / mild steel markets, their demands and forward mill bookings. For example, in Section 21 Hollow Sections, the total annual tonnage imported in stainless steel under HS Code 73066110 is approx. 10,000 tonnes per year against a volume of carbon steels under HS Codes 73066192 & 99 of 150,000 tonnes per year. Stainless steel is only approximately 5-10% of the carbon steel imports. This poses a massive problem for the stainless importer and subsequently the end user, as the stainless part of the quota can be consumed very easily by the carbon steel businesses without the stainless orders even being considered. Also, as the production routes are not the same, having a forward view on the demands of the carbon steel market is also very difficult. This has been highlighted in 2021 as the quota was exhausted from order 058035 by 20<sup>th</sup> January, and there is no UK volume producer to obtain material from in stainless steel. This is very harmful to UK manufacturing as they end up paying higher prices and harming their competitive position.

The BSSA has concerns that the time period from 2013-2017 used to assess the Safeguarding measures no longer reflect the markets and needs of UK industry. This may cause supply constraints and cause damage the UK's

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manufacturing competitiveness. Again, under section 21: Hollow Sections the stainless steel imports have increased since the end of the 2017 review period. There were considerable increases in 2018 onwards as detailed in the table below that have not been considered in the quota calculations.

**HS CODE 73066110 Hollow Tubes**

2013	2014	2015	2016	2017	2018	2019
8541 tonnes	8710 tonnes	9357 tonnes	8886 tonnes	9353 tonnes	10382 tonnes	24094 tonnes

In the opinion of the UK stainless steel market, the whole matter of safeguarding stainless steel needs a root to branch review, utilising the people involved in the use of the products.

Other distributor and end user members believe that a truly open market could give the UK a competitive edge in the supply of manufactured goods or components by ensuring that a free market gives the UK the opportunity to purchase the most competitive products, from anywhere. This may not be via the lowest cost option, as availability, quality, service and product certification are all part of the equation the industry uses to justify where product is sourced.

Should you require any additional information or wish to discuss in more detail please contact the British Stainless Steel Association..