



Trade Remedies
Authority

Discontinuation Review – Final Recommendation

Case No. SD0064

Discontinuation review of the safeguard measure applying to Category 2 steel products

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SECTION A: Introduction

1. This is a discontinuation review concerning the safeguard measure applying to Category 2 steel products. The review has been carried out in accordance with the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019 (as amended) (the Regulations).
2. The [Notice of Initiation](#) (NOI) was published on 11 November 2024. The scope of the goods subject to review, as detailed in the NOI, is defined in [section B3](#).
3. This section summarises the legal framework for this discontinuation review and the Trade Remedies Authority (TRA)'s findings. The background to the review and further detail on relevant considerations in the review are set out in the body of the report.
4. This final report sets out the reasons for the TRA's determination when making its final recommendation to the Secretary of State for Business and Trade (Secretary of State). Other documents are available on the [public file](#).
5. For further guidance and information regarding discontinuation reviews, please see our [public guidance](#).

A1 Legal Framework

6. Under Regulation 35A(1) of the Regulations, the TRA may conduct a review to consider whether a definitive safeguarding measure should be revoked (a "discontinuation review") where it is satisfied that there is sufficient information indicating that:
 - There may have been a lasting change of circumstances since the application of the relevant definitive safeguarding remedy; and
 - As a result, UK producers may no longer be suffering serious injury, or may cease to suffer such injury if the relevant safeguarding remedy is revoked.
7. Regulation 35A(4) sets out that, in conducting a discontinuation review, the TRA must determine whether:
 - There has been a lasting change of circumstances since the application of the relevant definitive safeguarding remedy; and
 - UK producers have ceased to suffer serious injury or would not suffer such injury if the relevant definitive safeguarding remedy is revoked.

8. Pursuant to regulation 35A(5) of the Regulations, following a discontinuation review, the TRA may make a recommendation to the Secretary of State that the application of a definitive safeguarding remedy be revoked.

SECTION B: Summary and scope of review

B1 Summary

9. The safeguard measure applying to Category 2 steel products was imposed from 1 July 2022 as a result of the reconsideration of the transition review ([TF0006](#)). The measure was subsequently extended from 1 July 2024 following the safeguard extension review ([SE0041](#)). Details of the measure currently imposed are set out in [Trade Remedies Notice 2024/06: Safeguard Measure: tariff-rate quota on steel goods](#). The current safeguard measure is due to expire on 30 June 2026.
10. On 21 October 2024, Tata Steel UK (TSUK) submitted an application to the TRA for a discontinuation review of the definitive safeguarding remedy on Category 2 steel products. This application was made on the basis that:
 - there had been a lasting change of circumstances since the application of the definitive safeguarding remedy; and
 - as a consequence, TSUK (as the sole active domestic producer) was unlikely to suffer serious injury if the definitive measure were to be revoked.

On 28 October 2024, it submitted further information to support these claims. Both the application and the subsequent submission are available on the [public file](#).

11. Based on the application received from TSUK, and the subsequent submission provided, it was the TRA's preliminary view that the conditions in Regulation 35A(4) applied and that a recommendation should be made to the Secretary of State to revoke the definitive safeguarding measure on Category 2 steel products.
12. The TRA set out its preliminary view in the NOI and invited parties to register and comment on the proposal.

B2 Interested parties and contributors

13. The following interested parties and contributors registered to the suspension review:

Name	Abbreviation	Country	Category
TATA Steel UK Limited	TSUK	UK	Producer of the goods subject to review
Duferco UK Ltd	Duferco	UK	Importer of the goods subject to review
Embassy of Switzerland in the UK	Swiss Embassy	Switzerland	Foreign Government

B3 Description of the goods subject to review

14. As set out in the [NOI](#), the description of the goods subject to review are as follows:

Category 2 steel – non-alloy and other alloy cold-rolled sheets

15. The goods subject to review are currently classifiable within the following commodity codes:

72091500, 72091690, 72091790, 72091891, 72092500, 72092690, 72092790, 72092890, 72099020, 72099080, 72112320, 72112330, 72112380, 72112900, 72119020, 72119080, 72255020, 72255080, 72262000, 72269200.

B4 Period of Investigation

16. In the NOI, the TRA set the period of investigation as 1 January 2024 to 21 October 2024. The definitive safeguarding measure on Category 2 steel products was extended on 1 July 2024, following the safeguard extension review. However, the relevant period of investigation for the extension review ended on 31 March 2023. The period of investigation for this review therefore covers a period which has not previously been examined.

C: Findings

C1 Lasting change of circumstances

17. Pursuant to Regulation 35A(4)(a)(i), the TRA must determine whether there has been a lasting change of circumstances since the application of the relevant safeguarding remedy.
18. In its application and subsequent submission TSUK stated that it planned to cease production of annealed Category 2 steel products for sale (either domestic or export) in the first quarter of 2025.
19. TSUK provided evidence to indicate that there had been a lasting change of circumstances during the period of investigation. This evidence included:
 - Notification sent to its customers earlier this year confirming that it planned to discontinue production of annealed Category 2 steel products. TSUK notes that this has influenced the commercial behaviour of various market players in the UK, including TSUK and its customers;
 - TSUK's production facility (CAPL – Continuous Annealing Processing Line) for annealed Category 2 products has deteriorated, particularly in the current financial year. The CAPL has also been lagging behind the annual plan and is expected to underperform against its key performance indicators, including production and utilisation, for the rest of the financial year;
 - In its submission, TSUK notes that other factors have had a negative impact on the CAPL and its output over the last year. Production on the CAPL has been interrupted a number of times and its output has suffered quality issues.
 - With regard to the lasting nature of the change of circumstances, TSUK notes that the level of investment required for maintenance works of the CAPL is not viable. Furthermore, when production of annealed Category 2 steel ceases, that cessation of production will be irreversible for at least the duration of the existing safeguard remedy.
20. Based on the information provided by TSUK, the TRA is satisfied that the conditions set out in Regulation 35A(4)(a)(i) have been met, and that there has been a lasting change of circumstances since the application of the definitive safeguarding remedy.

C2 Serious injury to UK producers

21. Pursuant to Regulation 35A(4)(a)(ii), the TRA must determine whether UK producers have ceased to suffer serious injury or would not suffer such injury if the relevant safeguarding remedy is revoked.
22. In its application, TSUK claims to be the only active producer of Category 2 steel products in the UK. This is consistent with our findings in the recent Safeguard Extension review (SE0041) and during the comment period, no other producer of Category 2 steel products made itself known to the TRA. TSUK has confirmed that as a consequence of the lasting change of circumstances, it will not suffer serious injury if the definitive safeguarding remedy is revoked.
23. As TSUK is the only known active producer of Category 2 steel products in the UK, the TRA is satisfied that the conditions in Regulation 35A(4)(a)(ii) have been met and that UK producers would not suffer serious injury if the safeguarding remedy is revoked.

C3 Comments from parties

24. When the TRA published the NOI on 11 November 2024, it provided parties with the opportunity to comment on its preliminary view that a recommendation should be made to the Secretary of State to revoke the definitive safeguarding measure on Category 2 steel products.
25. Duferco made a submission that is supportive of the measure being revoked. Duferco noted that, in the absence of domestic production, there would be an increased reliance on imports of Category 2 products. If the safeguard measure continues to apply, this will result either in increased prices for downstream consumers or upstream stockholders.
26. The Swiss Embassy registered interest in the case and did not object to the TRA's proposed recommendation.

SECTION D: Final recommendation

27. We are making a recommendation to revoke the definitive safeguarding remedy on Category 2 steel products on the grounds that:

- There has been a lasting change of circumstances since the application of the relevant definitive safeguarding remedy, as established in [section C1](#); and
- UK producers have ceased to suffer serious injury or would not suffer such injury if the relevant definitive safeguarding remedy is revoked, as established in [section C2](#).

28. Parties have been given an opportunity to comment on the proposed recommendation to revoke the definitive safeguarding remedy on Category 2 steel products. Parties that provided comments were supportive of the proposed recommendation, and the TRA has received no objection to the proposal.

D1 Final recommendation

29. Our final recommendation is to revoke the definitive safeguarding remedy on Category 2 steel products under regulation 35A(5)(b) of the Regulations.