

**Bureau of Foreign Trade of the Ministry of
Economic Affairs of Taiwan**

In reaction to the notice concerning the transition review
No.TF0006 of safeguard measures on certain steel
products

20 November 2020

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A. INTRODUCTION

1. On 26 March 2018, the European Commission (“Commission”) initiated *ex officio* a safeguard investigation concerning imports of certain steel products into the European Union (“EU”).¹ On 28 June 2018, the Commission published a notice amending the initial notice of initiation of that safeguard investigation.² Products subject to the ongoing safeguard investigation are the 28 categories of steel products listed in the annex to the notice of initiation, as amended (the 28 “product categories”).

2. On 2 February 2019, the Commission imposed definitive safeguard measures against imports of 26 categories of steel products (“definitive safeguard measures”).³

3. On 1 October 2020, the Secretary of State for International Trade of the UK (the “Secretary of State”) published a notice initiating a transition review of EU tariff rate quotas on certain categories of steel products under regulation 49 of the Trade Remedies.⁴ Products subject to the present review process are the 19 categories of steel products listed in Annex 1 to the notice of initiation (the 19 “product categories” or the “Concerned Products”).

4. In accordance with the notice, the Bureau of Foreign Trade of the Ministry of Economic Affairs of Taiwan (hereafter referred to as “BOFT”) would like to comment on the initiation of the review and demonstrate that continuation of the safeguard measures on the products concerned after the transition period would be inappropriate and unjustified for the following reasons:

(1) First, continuation of EU definitive safeguard measures after the transition without initiating a new investigation is inconsistent with the WTO Agreement on Safeguards.

(2) Second, if the Department for International Trade wishes to extend the safeguard measures after 30 June 2021, the BOFT submits that:

- Thirteen product categories of Taiwanese imports should be excluded from the application of safeguard measures due to the de minimis rule;

1. Notice of initiation of a safeguard investigation concerning imports of steel products, 2018 O.J. (C 111) 29 (“notice of initiation”).

2. Notice amending the notice of initiation of a safeguard investigation concerning imports of steel products, 2018 O.J. (C 225) 54.

3. Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products, 2019 O.J. (L 31) 27 (the “Definitive Regulation”).

4. Notice of initiation (Transition Review No. TF0006) concerning the review of the safeguard measures

- The safeguard measures should be terminated with respect to Category 6 due to the fact that substantive conditions for imposing safeguard measures are not fulfilled. If the Secretary of State insists on imposing the safeguard measures, then Taiwan's imports should be exempted from the measures or be granted an individual quota.

B. INCONSISTENT ISSUES IN THE WTO SAFEGUARD AGREEMENT

I. Inconsistent issues with the concept of parallelism

5. In 2019, the European Union's investigation on 28 product categories, which investigated the internal European Union market as a whole, determined that there had been a large increase in imports of 26 foreign Concerned Products, which had caused serious injuries to the EU's domestic industries, and thus applied safeguard measures accordingly. While there are other issues that Taiwan reserves the right to discuss further with the EU, the imports included in the EU determinations corresponded to the imports included in the application of the measures. Of the 19 product categories potentially subject to the UK's safeguard measures, about 90% of Taiwan's exports to EU member states had gone to four EU states, namely Spain, Belgium, Italy and the UK, in the previous three years (2017-2019).

6. Turning to the current UK determination case, first, when the UK leaves the EU in 2021, it should establish a separate safeguard regime in its own right, with investigations, determinations and applications that are distinctly separated from the EU's.

7. As such, the investigation should focus solely on the situation taking place within the UK market, including import changes and injuries or likely injuries associated with the increase of Concerned Products. Imports into markets outside the UK, including Spain, Belgium, and Italy, should be omitted from the investigation accordingly.

8. In particular, as demonstrated in Table 1 and 2 below, around 73% of Taiwan's exports of the Concerned Products went to Spain (30.52%), Belgium (27.95%), and Italy (14.61%) as measured in quantity, and 65% as measured in value. In short, although the UK is still an important destination of Taiwan's Concerned Products, other EU countries, such as Spain, Belgium, and Italy, accounted for a significantly higher proportion of import share than the UK in the 2019 EU safeguard determination.

9. Therefore, if the UK continues to apply post-Brexit safeguard measures against the Concerned Products after 31 December 2020, based on the investigation and determination of the EU's data during the period of 2013-2017, such application would not be consistent with the concept of "parallelism", as stipulated in Article 2.1 of the Safeguard Agreement, which requires that imports included in the determinations should correspond to the imports included in the application of the measure (see US — Wheat Gluten case, WT/DS166/AB/R).

10. Specifically, as the UK imports directly the determination on injuries from the EU's determination, the imports included in the determinations (which is based on the EU's whole market definition) would not correspond to the imports included in the application of the measure (imports only into the UK).

11. Therefore, Taiwan's view is that instead of applying the transition safeguard measures, the UK is required to undertake an independent investigation on import changes and potential or real injuries to the UK's domestic industry instead of directly importing the EU's determination as the legal basis for the UK's application.

Table 1: The quantity of Taiwan's Concerned Product exports to the top ten EU member states (2017-2019)

Unit: metric tons

Rank	EU Members	2017	2018	2019	Average	Average Share of Total Exports to the EU
	EU 28	1,092,800	1,532,973	1,107,239	1,244,337	100.00%
1	Spain	291,803	454,115	393,561	379,826	30.52%
2	Belgium	361,809	445,316	236,293	347,806	27.95%
3	Italy	136,734	224,189	184,349	181,757	14.61%
4	UK	180,235	247,511	100,987	176,244	14.16%
5	Portugal	15,503	55,599	88,986	53,363	4.29%
6	Poland	22,042	16,481	14,342	17,622	1.42%
7	Sweden	13,496	13,261	22,816	16,524	1.33%
8	Germany	16,261	17,470	10,284	14,672	1.18%
9	Croatia	11,856	17,943	13,884	14,561	1.17%
10	Netherland	7,535	8,823	9,095	8,484	0.68%

Source: Taiwan Customs Services database

Table 2: The value of Taiwan's Concerned Product exports to the top ten EU member states (2017-2019)
Unit: US\$1,000

Rank	EU Members	2017	2018	2019	Average	Average Share of Total Exports to the EU
	EU 28	833,516	1,264,642	862,873	987,010	100.00%
1	Belgium	247,801	342,954	170,588	253,781	25.71%
2	Spain	176,438	327,787	249,264	251,163	25.45%
3	UK	142,523	211,923	93,655	149,367	15.13%
4	Italy	104,590	174,957	136,064	138,537	14.04%
5	Portugal	10,145	37,887	53,369	33,800	3.42%
6	Germany	29,841	36,666	22,855	29,787	3.02%
7	Poland	28,763	27,468	25,635	27,289	2.76%
8	Netherland	20,262	25,108	24,854	23,408	2.37%
9	Sweden	11,264	12,101	19,065	14,143	1.43%
10	Croatia	11,286	17,171	12,369	13,609	1.38%

Source: Taiwan Customs Services database

II. No recent, sudden, sharp and significant increase in the UK's imports of the Concerned Products

12. Article 2.1 of the Safeguard Agreement stipulates that a member may apply a safeguard measure to a product only if that member has determined that "such product is being imported into its territory in such increased quantities, absolute or relative to domestic production".

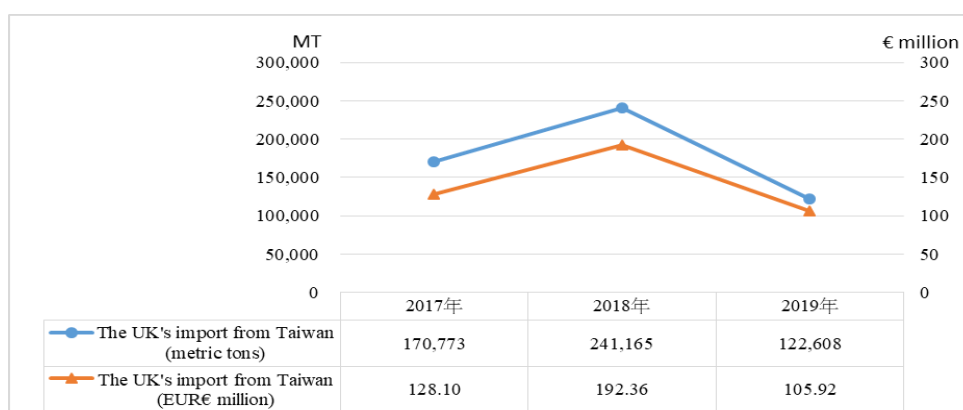
13. According to the determination of the WTO Appellate Body in the "Argentina-Footwear" and "US-Steel" cases, the increase of imports, both in terms of quantity and quality, must be "recent enough, sudden enough, sharp enough and significant enough".⁵ The Appellate Body also pointed out that there is no absolute standard for judging how the import increase is recent, sudden, and significant, so a case by case investigation is required.⁶

5. Appellate Body Report, Argentina-Footwear Safeguards, WT/DS121/AB/R, para.131; Appellate Body Report, US-Steel, para. 346.

6. Appellate Body Report, US-Steel, WT/DS248/AB/R, WT/DS249/AB/R, WT/DS251/AB/R, WT/DS252/AB/R, WT/DS253/AB/R, WT/DS254/AB/R, WT/DS258/AB/R, WT/DS259/AB/R, para. 360

14. As we stated above, following the conclusion of the Brexit transition period, the UK should establish a separate safeguard mechanism of its own regime, by undertaking an independent investigation on import changes and potential or real injuries to the “re-defined” UK domestic industry for the “most recent period” in the present case, instead of directly transforming the EU’s determination as the legal basis for the UK’s application.

15. Consequently, as we further observe that import changes of the Concerned Products from Taiwan to the UK during the most recent 3 years of the intended transition safeguard measures, it is found that contrary to an increase of the UK’s import shares, a significant 50% decline took place in 2019, with the import quantity falling from 241,200 metric tons in 2018 to 122,600 metric tons in 2019, and the import value dropping from 192 million euros in 2018 to 106 million euros in 2019. This indicates that there is lack of evidence to support the application of transitional safeguard measures.



Source: UK HMRC (CN Code 8).

Figure 1: The UK's import of Concerned Products from Taiwan (2017-2019)

III. There is a need to define and investigate the existence of injury to the UK's domestic industry

16. We understand from a 2018 report published by the UK House of Commons, that the British steel industry did suffer serious injuries from 2015 to 2016, including factory closures, reduced capacity utilization, and reduced employment opportunities, while production declined 10% from 2014 to 2015, with a further drop of 30% by 2016.⁷ However, this report used SIC Codes to illustrate the status of the steel manufacturing industry at that time.

7. UK Steel Industry: Statistics and Policy, House of Commons Briefing Paper Number 07317, Jan. 2, 2018, p.12.

17. The Appellate Body has elaborated on the definition of domestic industry in US-Lamb: “the determination of the “domestic industry” is based on the “producers...of the like or directly competitive products”. The focus must, therefore, be on the identification of the products, and their “like or directly competitive” relationship.”⁸

18. Further, also elaborated on in US-Lamb, the Appellate Body noted that Article 4.1(b) of the Safeguard Agreement requires “the serious injury must be clearly imminent”. The word “imminent” implies that the anticipated “serious injury” must be on the verge of occurring. Moreover, the word “clearly” indicates that there must be a high degree of likelihood that the anticipated serious injury will materialize in the very near future.

19. The Appellate Body has also elaborated that any determination of a threat of serious injury shall be based on facts and not merely on allegation, conjecture or remote possibility. As such, any determination must demonstrate that the domestic industry is on the brink of suffering serious injury.⁹

20. As the EU determination is based on data between 2013 and 2017, it is obvious that the UK’s consideration of transition measures does not take into account the data from the most recent past, nor has it demonstrated that the UK’s domestic industry is on the brink of suffering serious injury when a local investigation is missing.

21. In fact, the 2018 House of Commons report pointed out that there were several factors contributing to the decline of the UK’s steel industry. For example, four factors that affected the employment situation of the UK’s steel industry included¹⁰.

- (1) The current steel industry generally has increased productivity due to technological advances, so the number of jobs required has decreased.
- (2) Countries such as China have lower labour costs and other operational expenses than the UK, so they can produce steel with lower overall costs.
- (3) The current employment gap in the steel industry is dominated by high-tech manpower.

8. Appellate Body Report, US- Lamb, WT/DS177/AB/R, WT/DS178/AB/R, paras. 90, 94.

9. Appellate Body Report, US- Lamb, WT/DS177/AB/R, WT/DS178/AB/R, paras. 125, 137.

10. UK Steel Industry: Statistics and Policy, House of Commons Briefing Paper Number 07317, Jan. 2, 2018, pp.6-7.

- (4) The UK's economic activities are dominated by the service industry, which currently accounts for up to 84% of the UK's overall employment. This trend may also crowd out the employment opportunities in the manufacturing industry.

22. According to Article 4.2(b) of the Safeguard Agreement, if factors other than the increase in imports also cause injuries to the domestic industry, the injuries should not be attributed to the increase in imports. In this regard, it remains to be further clarified by the UK competent authority that factors other than the increase in imports were causally related to injuries to the UK's domestic industry.

23. At this stage, it is not possible to ascertain if the impacted domestic industry analysed in the House of Commons report corresponded to the producers of the Concerned Products, nor is there evidence to demonstrate that injuries to the domestic industry were caused by a surge of imports. We therefore recommend that the UK undertake a separate investigation on the situation of UK manufacturers producing the Concerned Products.

C. THIRTEEN PRODUCT CATEGORIES OF TAIWANESE IMPORTS SHOULD BE EXCLUDED FROM THE APPLICATION OF SAFEGUARD MEASURES

I. Thirteen product categories of imports from Taiwan to the UK did not exceed 3%

24. When looking at the figures per product category, the BOFT notes that the products originating in Taiwan for product categories 2 (1.35%), 5 (1.92%), 7 (0.11%), 12 (0.07%), 13 (0.00%), 16 (0.00%), 17 (0.00%), 19 (0.00%), 20 (0.05%), 21 (0.52%), 25 (0.00%), 27 (0.02%), and 28 (0.10%) and for import in the UK did not exceed 3% between 2017 and 2019 according to your HMRA data.

Table 3: The UK's steel import safeguard measures on 19 categories, the UK's import from Taiwan

Unit: metric tons

Product Number	Product Category	The UK's Import from Taiwan			Taiwan's Share of the UK's Imports				
		2017	2018	2019	2017	2018	2019	2017-2019 Average	2017 – 2019 Percentage Change
1	Non alloy and other alloy hot rolled sheets and strips	48,875	44,202	30,735	6.11%	4.91%	3.70%	4.89%	-2.41
2	Non alloy and other alloy cold rolled sheets	1,191	11,411	3,787	0.27%	2.60%	1.16%	1.35%	0.89

Product Number	Product Category	The UK's Import from Taiwan			Taiwan's Share of the UK's Imports				
		2017	2018	2019	2017	2018	2019	2017-2019 Average	2017 – 2019 Percentage Change
4	Metallic coated sheets	100,544	164,362	69,840	5.39%	9.71%	4.70%	6.64%	-0.68
5	Organic coated sheets	4,719	2,916	3,144	2.76%	1.77%	1.39%	1.92%	-1.37
6	Tin mill products	4,869	5,408	5,371	3.55%	6.50%	8.11%	5.46%	4.56
7	Non alloy and other alloy quarto plates	0	1,115	0	0.00%	0.29%	0.00%	0.11%	0.00
12	Non alloy and other alloy merchant bars and light sections	161	214	261	0.05%	0.06%	0.09%	0.07%	0.05
13	Rebars	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00
14	Stainless bars and light sections	2,205	2,071	2,427	3.96%	3.31%	3.76%	3.67%	-0.20
15	Stainless wire rods	252	510	53	17.21%	32.30%	4.67%	19.50%	-12.55
16	Non alloy and alloy wire rods	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00
17	Angles, shapes and sections of iron or non alloy steel	0	11	0	0.00%	0.00%	0.00%	0.00%	0.00
19	Railway material	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00
20	Gas pipes	66	79	0	0.07%	0.08%	0.00%	0.05%	-0.07
21	Hollow sections	989	1,021	1,003	0.53%	0.56%	0.49%	0.52%	-0.04
25	Large welded tubes	8	0	2	0.00%	0.00%	0.00%	0.00%	0.00
26	Other welded tubes	6,613	7,668	5,904	2.91%	3.56%	3.78%	3.37%	0.87
27	Non alloy and other alloy cold finished bars	16	9	1	0.03%	0.02%	0.00%	0.02%	-0.03
28	Non alloy wire	265	168	80	0.14%	0.09%	0.06%	0.10%	-0.08
19 categories total		170,773	241,165	122,608	2.67%	3.86%	2.15%	2.91%	-0.52

Source: UK HMRC (CN Code 8)

II. The UK was not Taiwan's main export destination for the above thirteen product categories

25. Furthermore, statistics from Taiwan's Customs Administration also demonstrate that the UK was not the main destination for Taiwan's exports of steel products in the thirteen product categories mentioned above. Taiwan's steel exports of the above 13 product categories between 2017 and 2019 to the UK only accounted for 0%~2.06% (quantity) and 0%~3.51% (value) of Taiwan's total steel product exports.

Table 4: Taiwan's quantity share of the UK's steel imports was less than 3%; Taiwan's exports to the UK

Unit: metric tons

Product Number	Product Category	Taiwan's Exports to the UK			The UK's Share of Taiwan's Exports			
		2017	2018	2019	2017	2018	2019	2017-2019 Average
2	Non alloy and other alloy cold rolled sheets	333	3,601	432	0.02%	0.22%	0.03%	0.10%
5	Organic coated sheets	3,145	4,307	1,431	0.78%	1.05%	0.40%	0.76%
7	Non alloy and other alloy quarto plates	0	1,115	0	0.00%	0.79%	0.00%	0.30%
12	Non alloy and other alloy merchant bars and light sections	141	203	245	0.05%	0.07%	0.10%	0.07%
13	Rebars	0	0	0	0.00%	0.00%	0.00%	0.00%
16	Non alloy and alloy wire rods	0	0	0	0.00%	0.00%	0.00%	0.00%
17	Angles, shapes and sections of iron or non alloy steel	0	0	0	0.00%	0.00%	0.00%	0.00%
19	Railway material	0	0	0	0.00%	0.00%	0.00%	0.00%
20	Gas pipes	338	341	253	0.66%	0.51%	0.63%	0.59%
21	Hollow sections	1,073	1,021	1,499	2.31%	1.49%	2.51%	2.06%
25	Large welded tubes	0	0	0	0.00%	0.00%	0.00%	0.00%
27	Non alloy and other alloy cold finished bars	0	0	0	0.00%	0.00%	0.00%	0.00%
28	Non alloy wire	1,314	1,413	2,141	1.36%	1.52%	2.47%	1.76%

Source: Customs Administration, Ministry of Finance, Taiwan.

Table 5: Taiwan's value share of the UK's steel imports was less than 3%; Taiwan's exports to the UK

Unit: US\$ thousand

Product Number	Product Category	Taiwan's Exports to the UK			The UK's Share of Taiwan's Exports			
		2017	2018	2019	2017	2018	2019	2017-2019 average
2	Non alloy and other alloy cold rolled sheets	622	3,020	1,083	0.06%	0.27%	0.12%	0.16%
5	Organic coated sheets	2,811	4,336	1,254	0.68%	1.04%	0.37%	0.72%
7	Non alloy and other alloy quarto plates	0	705	0	0.00%	0.75%	0.00%	0.30%
12	Non alloy and other alloy merchant bars and light sections	634	998	1,227	0.29%	0.38%	0.56%	0.41%
13	Rebars	0	0	0	0.00%	0.00%	0.00%	0.00%
16	Non alloy and alloy wire	0	0	0	0.00%	0.00%	0.00%	0.00%

Product Number	Product Category	Taiwan's Exports to the UK			The UK's Share of Taiwan's Exports			
		2017	2018	2019	2017	2018	2019	2017-2019 average
	rods							
17	Angles, shapes and sections of iron or non alloy steel	0	0	0	0.00%	0.00%	0.00%	0.00%
19	Railway material	0	0	0	0.00%	0.00%	0.00%	0.00%
20	Gas pipes	515	593	400	0.99%	0.85%	0.87%	0.90%
21	Hollow sections	2,658	2,748	3,675	3.95%	2.74%	4.02%	3.51%
25	Large welded tubes	0	0	0	0.00%	0.00%	0.00%	0.00%
27	Non alloy and other alloy cold finished bars	0	0	0	0.00%	0.00%	0.00%	A0.00%
28	Non alloy wire	1,150	1,364	2,053	1.15%	1.29%	2.08%	1.50%

Source: Customs Administration, Ministry of Finance, Taiwan.

26. Pursuant to Article 9.1 of the WTO Agreement on Safeguards and Article 18 of Regulation (EU) 2015/478, a developing country whose share of imports of a certain product does not exceed 3% must be exempted from the safeguard measures provided that developing countries with less than 3% import share collectively account for not more than 9% of total imports of that product.

27. Taiwan has been consistently classified as a developing country by the United Nations ("UN"). In fact, both the 2017 and 2018 reports on the World Economic Situation and Prospects list Taiwan among developing countries.¹¹ This shows that there is a general consensus that Taiwan should be treated as a developing country.

28. Taiwan has also been treated as a developing country in several recent safeguard investigations on steel products conducted by third countries. These include:

- (1) Safeguard investigation by the Gulf Cooperation Council on flat-rolled iron and steel, 600m width or more, painted, varnished or plastic coated and others;¹²
- (2) Safeguard investigation by Malaysia on steel concrete reinforcing bars (rebar)¹³ and

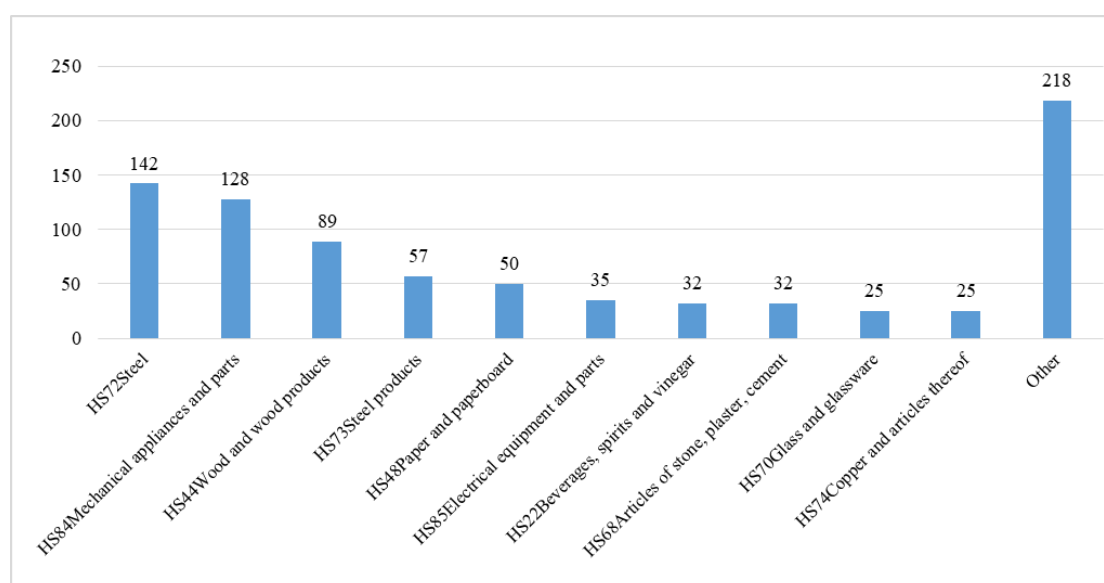
¹¹ United Nations, "World Economic Situation and Prospects 2017" (2017), p. 154, available at https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/2017wesp_full_en.pdf, "World Economic Situation and Prospects 2018" (2018), p. 142, available at https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2018_Full_Web-1.pdf.

¹² Official Gazette of the GCC, 19 April 2018, Volume No. 15, p. 7 (Imposition of definitive safeguard measures against the GCC imports of flat Rolled Iron or Steel, 600mm width or more, Painted, Varnished or Plastic Coated and Other) (Pre-Painted Flat Steel).

(3) Safeguard investigation by Jordan on aluminium bars, rods and profiles¹⁴.

29. In addition, Taiwan is treated by certain advanced countries, like Australia, as beneficiaries of its Generalised Scheme of Preference (“GSP”). In Australia’s GSP Scheme, a total of 833 products (HS 8-digit code) from Taiwan are eligible for Australia’s GSP treatment, covering agricultural products, processed foods and various industrial products, as well as steel (HS72), mechanical appliances and their parts (HS84), wood and wood products (HS44), steel products (HS73), paper and cardboard (HS48).

30. In light of the above, the BOFT respectfully requests the Department of International Trade to classify Taiwan as a “developing country” with respect to Article 9.1 of the Agreement on Safeguards for the purpose of the ongoing safeguard investigations. The BOFT further submits that, as a consequence, Taiwanese imports of steels products that fall under product categories 2, 5, 7, 12, 13, 16, 17, 19, 20, 21, 25, 27, and 28 should be excluded from the application of safeguard measures since Taiwan’s share of the UK’s imports of those product categories does not exceed 3%.



Source: WTO IDB database

¹³ WTO Notification under Article 12.1(b) of the Agreement on Safeguards on finding a serious injury or threat thereof caused by increased imports, supplement, G/SG/N/8/MYS/2/Suppl.1, 18 May 2017.

¹⁴ WTO notification documents G/SG/N/7/JOR/2, G/SG/N/8/JOR/10 and G/SG/N/11/JOR/6, 28 July 2016, p. 5.

D. TERMINATE THE SAFEGUARD MEASURE ON CATEGORY 6

31. Product concerned: Products falling under product category 6, hereinafter referred to as “tin mill products”, are currently classifiable under CN codes 7209 18 99, 7210 11 00, 7210 12 20, 7210 12 80, 7210 50 00, 7210 70 10, 7210 90 40, 7212 10 10, 7212 10 90 and 7212 40 20.

I. There is no sufficiently alleged increase in imports of tin mill products during the most recent period

32. Imports of tin mill products from 2017 to 2019 dropped from 137,019MT to 66,201MT, reflecting a decline of 48% during the most recent period based on the UK's data.

33. Pursuant to WTO rules, an increase in imports is one of the defining prerequisites for the lawful imposition of a safeguard measure. In the present case, the UK's import data demonstrates the contrary.

34. In this respect, the BOFT once again argues that, following the conclusion of the Brexit transition period, should the UK intend to sustain the application of safeguard measures on the category of tin mill products, the UK authority is required to undertake an independent investigation on import changes and demonstrate a causal link with potential or real injuries to the UK's domestic industry based on the recent past.

35. Otherwise, the BOFT is of the view that the application of safeguard measures on tin mills product should be terminated thereafter.

Table 6: The UK's main import partners of Category 6 steel: tin mill products

Unit: metric tons

Rank	Country	The UK's import (metric tons)				2017-2019 Average Proportion
		2017	2018	2019	2017-2019 Average	
	World	137,019	83,262	66,201	95,494	100.00%
1	Germany	49,145	22,580	9,536	27,087	28.37%
2	France	31,031	13,867	16,931	20,610	21.58%
3	China	16,113	12,236	19,570	15,973	16.73%
4	Netherlands	23,175	10,491	4,785	12,817	13.42%
5	Taiwan	4,869	5,408	5,371	5,216	5.46%
6	Korea, Republic of	4,096	6,924	3,833	4,951	5.18%
7	Portugal	1,476	3,799	723	1,999	2.09%
8	Greece	1,503	1,314	1,484	1,434	1.50%
9	Japan	1,249	1,261	962	1,157	1.21%
10	Poland	386	13	910	436	0.46%

Source: UK HMRC (CN Code 8).

II. The Department of International Trade should terminate the safeguard investigation on Category 6 products (tin mill products) from Taiwan

36. If the Department of International Trade decides not to terminate the present safeguard review on tin mill products globally, the BOFT submits that the UK authority should consider terminating the safeguard investigation on imports from Taiwan.

37. The importation of tin mill products originating from Taiwan accounted for 5.46% of the UK's imports and Taiwan was the 5th largest source of imports for the UK. On the other hand, the UK is Taiwan's 20th largest export destination with respect to tin mill products. In addition, while imports of tin mill products rose 11.1% in absolute terms from 2017 to 2018, they fell by 1% from 2018 to 2019. The import value of tin mill products rose 26.3% from 2017 to 2018, but dropped by 6% from 2018 to 2019.

38. Additionally, tin mill products have characteristics such as corrosion resistance, good ductility, and rust resistance. They are widely used in the production of metal packaging, such as canned food, beverages, pharmaceuticals, chemicals, and cosmetic bottle caps. The products originating from Taiwan and imported by the UK are used as chemical barrels and food cans, which are basic commodities for daily needs. It is noted that Taiwan's tin mill products can be differentiated from other like products regarding its unique integration in the upper, middle and lower packaging materials of tinplate metal.

39. In light of above, the BOFT wishes to emphasize that a fair balance between the UK's related upstream and downstream industries of tin mill products should be taken into consideration. Terminating the safeguard measure on Category 6 products (tin mill products) from Taiwan would be in the interests of the UK's industry and consumer welfare.

Table 7: Taiwan's main export partners of Category 6 steel- tin mill products

Unit: metric tons

Rank	Country	Taiwan's Exports				2017-2019 Average Proportion
		2017	2018	2019	2017-2019 Average	
	Category 6 Total	1,178,531	1,189,644	1,090,756	1,152,977	100.00%

Rank	Country	Taiwan's Exports				2017-2019 Average Proportion
		2017	2018	2019	2017-2019 Average	
1	China	301,579	291,052	237,514	276,715	24.00%
2	United States of America	277,442	182,596	189,315	216,451	18.77%
3	Philippines	96,765	94,488	65,159	85,471	7.41%
4	Indonesia	58,533	71,112	122,059	83,901	7.28%
5	Malaysia	47,442	59,008	56,911	54,454	4.72%
6	Belgium	37,761	65,561	56,984	53,435	4.63%
7	Japan	50,055	44,263	57,783	50,700	4.40%
8	Spain	22,590	66,118	29,383	39,364	3.41%
9	Thailand	34,103	32,679	41,216	35,999	3.12%
10	Australia	30,641	33,844	31,879	32,121	2.79%
11	Canada	17,803	30,506	22,219	23,509	2.04%
12	Italy	17,970	39,100	5,164	20,745	1.80%
13	Croatia	11,376	17,943	13,679	14,333	1.24%
14	Djibouti	8,444	9,540	20,009	12,664	1.10%
15	Viet Nam	15,639	11,980	9,112	12,244	1.06%
16	Sweden	9,986	9,268	14,154	11,136	0.97%
17	Korea, Republic of	15,441	9,084	6,137	10,221	0.89%
18	Saudi Arabia	5,844	13,264	10,848	9,985	0.87%
19	Pakistan	6,558	9,076	11,779	9,138	0.79%
20	United Kingdom	7,355	10,071	7,612	8,346	0.72%

Source: Customs Administration, Ministry of Finance, Taiwan.

Table 8: The UK's importation of Category 6 steel from Taiwan

Item	2017	2018	2019
Import quantity (metric tons)	4,869	5,408	5,371
Growth rate (%)	--	11.1	-1
Taiwan's market share by quantity (%)	3.55	6.50	8.11
Import value (euros)	3,734,822	4,715,485	4,992,809
Growth rate (%)	--	26.3	6
Taiwan's market share by value (%)	3.88	6.32	7.57

Source: UK HMRC (CN Code 8).

III. The Department of International Trade should allocate a national-specific import quota for Category 6 products (tin mill products) from Taiwan

40. Even if the Department of International Trade does not to terminate the present investigation on tin mill products, the BOFT submits that the UK authority should allocate a country-specific quota for Taiwan, since Taiwan has consistently been granted a national-specific import quota for such products in the EU's steel safeguard measures.

41. It should be noted that from 2017 to 2019, the UK's importation of tin mill products were mainly from some EU countries (Germany, France, the Netherlands, Portugal, Greece, Poland), China, in addition to Taiwan. However, the Department of International Trade has determined that a specific tariff rate quota for this category would be allocated to the EU and China.

42. Since imports from Taiwan remained relatively stable from 2017 to 2019, Taiwan's tin mill products are unique to the UK's industry, and Taiwan is the only one of the UK's top three source of imports (the others being the EU and China) that is not allocated a national-specific import quota, the BOFT therefore respectfully requests that the Department of International Trade allocate a national-specific import quota to ensure efficiency in the UK's industry and non-discriminatory treatment between the UK's major trading partners.