



Register as an exporter to the case

Safeguard measures on certain steel products

Case: TF0006

Period of Investigation (POI):	2013 - 2017
Most Recent Period (MRP):	1 January 2018 to 30 June 2020
Deadline for response:	15 October 2020
Case Team Contact:	Imogen Yapp, Lead Investigator, TF0006@traderemedies.gov.uk
Completed on behalf of:	NLMK Group

When you have completed this form, indicate the **confidentiality status** of this document by placing an X in the relevant box below:

☐ Confidential

☒ Non-Confidential – will be made publicly available

Please note that you will have to provide **two copies of your response** – a **Confidential** and a **Non-Confidential version**. Both copies should be returned to TRID using the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 15 October 2020.

For further information regarding the POI or MRP, please see the Notice of initiation on the [public file](#).



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Section C – Certification	Ошибка! Закладка не определена.



Section A – Your company's interest in the case

To register your company's interest in this case, please complete the text boxes below. You should use this form if you are an exporter of the goods subject to review. For a definition of goods subject to review, please refer to the Notice of Initiation.

1. Please describe the role of your company in relation to the goods subject to review, like goods or directly competitive goods:

NLMK Group is one of the leading international manufacturers of high-quality steel products with a vertically integrated business model. Wide range of finished products are manufactured close to our main customers in Russia, North America and the EU. NLMK Group has the long-term relations with the end-customers and steel stockholders in the UK and supply products concerned in the current investigation to the British market.

2. Please describe your interest in this case:

NLMK Group is the supplier of steel products to the UK customers, we are interested in cooperation with the Department of International Trade on the current investigation in order to contribute to development of efficient, transparent and non-discriminative quota management system, especially in the following categories:

- *Category 3 (A and B) – Electrical Sheets (other than GOES),*
- *Category 4 (A and B) – Metallic Coated Sheets,*
- *Category 13 – Rebars,*
- *Category 16 – Non Alloy and Other Alloy Wire Rod, and*
- *Category 28 – Non-Alloy Wire.*



Section B – Additional information

Use the box below to provide any other relevant information which you think would be useful to help our review.

This may include:

- other parties which you think should be invited to register an interest in the case;
- scope of the review, including product categories and/or custom codes you think should be added or removed, and reasons why; or
- anything else you consider relevant.

We would like to add brief comments and concerns on the following Steel safeguard categories:

– Category 3 (A and B) – Electrical Sheets (other than GOES)

Product category №3 includes non-grain oriented steel, which is crucial material for manufacturing of wind turbines and electric vehicles engines. Decarbonisation trends and development of new products and energy sources make the NGOES market sharply growing. For example, Faraday Institution estimates that aggregate electric vehicle sales in the UK are going to grow by an average of 1.4% per year over the 2020 to 2040 period; this implies a very considerable growth in UK battery manufacture with the establishment over the next twenty years of about 7 battery production plants. Attracting EV batteries production to the UK is one of the key priorities to support domestic vehicle production; we would like to note that achievement of this goal depends significantly on the sufficient electrical steel supply, and in the UK there is no reasonable NGOES domestic production. In this case, we suppose that there is no need to implement exceeding limitation for the UK EV producers on such a promising market by increasing the cost of making wind turbines and EV in the UK and that DIT needs to eliminate this category from the product scope.



– *Category 4 – Metallic Coated Sheets*

There is no need to highlight that UK-based automakers are experiencing some problems and risks connected with additional tariffs, which could be caused by Brexit deal. Securing the needs of automobile production is one of the key priorities of the UK trade policy accordingly to the analyses of the current Free Trade Agreements negotiations. The study of domestic automakers requirements during the review of the EU quota system caused the creation of sub-category in Category 4 developed especially for automobile sector needs. However, due to the technical customs issues this sub-category has not solved the problem of the material shortage and created new risks for the end-users, which proves that this product category quota does not benefit the local industry, but from another hand affects the economic recovery.

– *Category 13 – Rebars*

We would like to present the concerns on the current quota category due to the insufficient volume of domestic production. Around half of the domestic rebar market is owned by one company (in fact the only full-booked producer (Celsa) as Liberty steel is manufacturing only limited range of rebar sizes) and independent fabricators need another source of supply. The main rebar importer – China- already has anti-dumping measures on their sales. Simultaneously, construction sector in the UK has just started its process of recovery, which will also influence rebar demand: UK builders reported their strongest monthly rise in activity in almost five years in July this year. Rebar import is crucially needed for implementation of new “Build, build, build” UK strategy. That is why we would like to outline that maintaining the exceeding quota system for rebar could only affect the UK construction industry, but would not benefit local production.

– *Category 16 – Non Alloy and Other Alloy Wire Rod*

Based on the EU safeguard quota experience it could be said that exceeding (according to Eurostat import in this category has shown strong decline) limitations of wire rod has already caused significant challenges for European non-integrated downstream producers.



The fact of initiation of import monitoring of processed steel wire rod proves that additional costs for European plants made them less competitive against foreign producers of processed steel products. The current quota category has indirectly hit European downstream companies producing wire-rod products due to the raised import of more processed versions of the product (galvanized rod, fencing products, drawn wire, spring wire and black annealed wire). This case shows how exceeding trade defense measures cause severe disruption to the downstream market.

– Category 28 – Non Alloy Wire

The situation in category 28 echoes Category 16: the similar trends of downed import volume in 2019 complexing with indirect injury for downstream producers. Taking in consideration the fact that originally product category 28 was developed to hedge the overflows from import under product category 16 it is understandable why these two categories have the common trends and drawbacks. We would like to argue that quota in Categories 16 and 28 proved to be inefficient and should be eliminated or significantly amended.