



Pre-Limited Examination Questionnaire (Importer)

Safeguard measures on certain steel products

Case: TF0006

Period of Investigation (POI):	01 January 2013 – 31 December 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:	Stemcor Distribution Limited

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.



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The scope of this transition review

I - Goods subject to review

The goods subject to review in this transition review are detailed in the following table¹:

Product category number	Product category	Commodity codes
1	Non-Alloy and Other Alloy Hot Rolled Sheets and Strips	7208 10 00, 7208 25 00, 7208 26 00, 7208 27 00, 7208 36 00, 7208 37 00, 7208 38 00, 7208 39 00, 7208 40 00, 7208 52 10, 7208 52 99, 7208 53 10, 7208 53 90, 7208 54 00, 7211 13 00, 7211 14 00, 7211 19 00, 7212 60 00, 7225 19 10, 7225 30 10, 7225 30 30, 7225 30 90, 7225 40 15, 7225 40 90, 7226 19 10, 7226 91 20, 7226 91 91, 7226 91 99
2	Non-Alloy and Other Alloy Cold Rolled Sheets	7209 15 00, 7209 16 90, 7209 17 90, 7209 18 91, 7209 25 00, 7209 26 90, 7209 27 90, 7209 28 90, 7209 90 20, 7209 90 80, 7211 23 20, 7211 23 30, 7211 23 80, 7211 29 00, 7211 90 20, 7211 90 80, 7225 50 20, 7225 50 80, 7226 20 00, 7226 92 00
4A	Metallic Coated Sheets	TARIC Codes: 7210 41 00 20, 7210 49 00 20, 7210 61 00 20, 7210 69 00 20, 7212 30 00 20, 7212 50 61 20, 7212 50 69 20, 7225 92 00 20, 7225 99 00 11, 7225 99 00 22, 7225 99 00 45, 7225 99 00 91, 7225 99 00 92, 7226 99 30 10, 7226 99 70 11, 7226 99 70 91, 7226 99 70 94
4B	Metallic Coated Sheets	CN Codes: 7210 20 00, 7210 30 00, 7210 90 80, 7212 20 00, 7212 50 20, 7212 50 30, 7212 50 40, 7212 50 90, 7225 91 00, 7226 99 10 TARIC codes: 7210 41 00 30, 7210 41 00 80, 7210 49 00 30, 7210 49 00 80, 7210 61 00 30, 7210 61 00 80, 7210 69 00 30, 7210 69 00 80, 7212 30 00 80, 7212 50 61 30, 7212 50 61 80, 7212 50 69 30, 7212 50 69 80, 7225 92 00 80, 7225 99 00 23, 7225 99 00 41, 7225 99 00 93, 7225 99 00 95, 7226 99 30 90, 7226 99 70 19, 7226 99 70 96
5	Organic Coated Sheets	7210 70 80, 7212 40 80
6	Tin Mill products	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, 7212 40 20
7	Non-Alloy and Other Alloy Quarto Plates	7208 51 20, 7208 51 91, 7208 51 98, 7208 52 91, 7208 90 20, 7208 90 80, 7210 90 30, 7225 40 12, 7225 40 40, 7225 40 60
12	Non-Alloy and Other Alloy Merchant Bars and Light Sections	7214 30 00, 7214 91 10, 7214 91 90, 7214 99 31, 7214 99 39, 7214 99 50, 7214 99 71, 7214 99 79, 7214 99 95, 7215 90 00, 7216 10 00, 7216 21 00, 7216 22 00, 7216 40 10, 7216 40 90, 7216 50 10, 7216 50 91, 7216 50 99, 7216 99 00, 7228 10 20, 7228 20 10, 7228 20 91, 7228 30 20, 7228 30 41, 7228 30 49, 7228 30 61, 7228 30 69, 7228 30 70, 7228 30 89, 7228 60 20, 7228 60 80, 7228 70 10, 7228 70 90, 7228 80 00
13	Rebars	7214 20 00, 7214 99 10

¹ Please note that the list uses the same category numbers and category names as EU Regulation 2019/159 for those goods subject to review within this Transition Review. Product categories 3, 8, 9, 10, 18, 22, and 24, will not be transitioned and are therefore excluded from the list.



14	Stainless Bars and Light Sections	7222 11 11, 7222 11 19, 7222 11 81, 7222 11 89, 7222 19 10, 7222 19 90, 7222 20 11, 7222 20 19, 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81, 7222 20 89, 7222 30 51, 7222 30 91, 7222 30 97, 7222 40 10, 7222 40 50, 7222 40 90
15	Stainless Wire Rod	7221 00 10, 7221 00 90
16	Non-Alloy and Other Alloy Wire Rod	7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50, 7227 90 95
17	Angles, Shapes and Sections of Iron or Non-Alloy Steel	7216 31 10, 7216 31 90, 7216 32 11, 7216 32 19, 7216 32 91, 7216 32 99, 7216 33 10, 7216 33 90
19	Railway Material	7302 10 22, 7302 10 28, 7302 10 40, 7302 10 50, 7302 40 00
20	Gas pipes	7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77
21	Hollow sections	7306 61 10, 7306 61 92, 7306 61 99
25.A	Large welded tubes	7305 11 00, 7305 12 00
25.B	Large welded tubes	7305 19 00, 7305 20 00, 7305 31 00, 7305 39 00, 7305 90 00
26	Other Welded Pipes	7306 11 10, 7306 11 90, 7306 19 10, 7306 19 90, 7306 21 00, 7306 29 00, 7306 30 11, 7306 30 19, 7306 30 80, 7306 40 20, 7306 40 80, 7306 50 20, 7306 50 80, 7306 69 10, 7306 69 90, 7306 90 00
27	Non-alloy and other alloy cold finished bars	7215 10 00, 7215 50 11, 7215 50 19, 7215 50 80, 7228 10 90, 7228 20 99, 7228 50 20, 7228 50 40, 7228 50 61, 7228 50 69, 7228 50 80
28	Non-Alloy Wire	7217 10 10, 7217 10 31, 7217 10 39, 7217 10 50, 7217 10 90, 7217 20 10, 7217 20 30, 7217 20 50, 7217 20 90, 7217 30 41, 7217 30 49, 7217 30 50, 7217 30 90, 7217 90 20, 7217 90 50, 7217 90 90

II - Like goods

‘Like goods’ are goods produced in the UK which are like the goods subject to review in all respects, or with characteristics closely resembling them.

III - Directly competitive goods

‘Directly competitive goods’ are goods produced in the UK which are directly competitive with the goods subject to this transition review.

This can include goods that are not only similar to the goods subject to review, such as a different type or variety, but also includes goods that occupy a position of direct competition with the goods subject to review. A directly competitive good may be one that is substitutable with the goods subject to review.

Please follow the instructions for each question to provide the appropriate information regarding the goods subject to review.

Instructions

The Trade Remedies Investigations Directorate (TRID) of the United Kingdom's Department for International Trade is carrying out a transition review of safeguard measures active under the EU system that the United Kingdom (UK) decided to transition after EU exit. This transition review will assess whether the safeguard measures on certain steel products should be maintained, varied or discontinued in the UK. It will also consider whether the current safeguard measure should be extended.

IV - Why you are being asked to complete this pre-limited examination questionnaire

We are seeking your cooperation as a **UK importer** of the goods subject to review to the UK, to inform our review of whether the current safeguard measure should be maintained, varied, discontinued and/or extended.

This pre-limited examination questionnaire allows us to collect basic information and data about your company. If a large number of UK importers complete this pre-limited examination questionnaire, we will use the information each one provides to help us decide which companies we want to sample for further investigation.

V - Who should complete this form

You should complete this form if you are a UK importer of the goods subject to review.

If you are not a UK importer, please complete either the relevant Pre-Limited Examination Questionnaire or the relevant Registration Form.

VI - Deadline for response

Please submit your completed questionnaire to us via the Trade Remedies Service no later than **15 October 2020**. If you can't provide a completed submission by the given due date and you wish to request an extension, please contact the Case Team ahead of the deadline using the contact details on the cover of this questionnaire.

VII - Note about confidentiality

You will need to submit one confidential version and one non-confidential version of your pre-limited examination questionnaire by the due date. Please ensure that each page of



information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header. It is your responsibility to ensure that the non-confidential version does not contain any confidential information.

Please see <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#how-we-handle-confidential-information> for further information on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

All information provided to TRID in confidence will be treated accordingly, only used for this investigation (excepted in limited circumstance as permitted by regulation 17 of the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019) and kept in protected systems. The non-confidential version of your submission will be placed on our public file, which is available on <https://www.trade-remedies.service.gov.uk/public/cases/>.

VIII - Period of Investigation

The period of investigation is **1 January 2013 to 31 December 2017** reflecting the period of the original EU investigation.² During the investigation, TRID will use data provided for the period of investigation to assess whether the safeguard measure on certain steel products should be maintained, varied or discontinued in the UK.

In the questions below, you will be asked about data for the POI. Where figures are required, please provide totals of the data for this 5-year-period.

IX - Most recent period

The most recent period is **1 January 2018 to 30 June 2020**. During the investigation, TRID will use data provided for the most recent period to assess whether the safeguard measure on certain steel products should be reduced or extended in the UK.³

² This is the period of investigation set out in the EU Regulation.

³ The MRP is the period which begins immediately after the end of the POI (as specifically defined under reg. 49(4) of the SG Regs. (as amended)) and runs up to the end of the most recent TRQ quarter before initiation of the review. Data for this period is needed to help us consider whether it is appropriate to reduce or extend the period for which the safeguarding measure applies to the goods concerned in the review.



Section A – Activities of your company and any associated parties

A1 – Your company's activities

1. To determine your company's role as an interested party for the purpose of this review, please select the activity/activities of your company below.

- ☒ importer of the goods subject to review into the UK.
- ☐ other (please give details below)

If you have selected 'other', please describe the role of your company in relation to the goods subject to review, like goods or directly competitive goods:

N/A

2. Please detail your company's activities.

Stemcor Distribution Limited is a trading and distribution business based in the UK. We import a variety of steel products from a range of origins, holding this material at several ports around the UK. We offer UK customers a just in time delivery service from the port, and also provide them with finance / credit terms.

3. Please describe your interest in this case:

As a UK importer, we see it as imperative that the Safeguard measures which are imposed are fair and reasonable so that they do not negatively impact upon our end user customer businesses. Many UK customers rely on imported steel to maintain their business and cannot secure sufficient supply from domestic producers. It is important that any future safeguard measures do not hinder their ability to buy from historical sources.



A2 – Associated parties and operational links

Please give details of your company and all associated parties involved in the production, import, and/or sales (export and/or domestic) of the goods subject to review during the POI. Both natural persons (individuals) and legal persons (e.g. companies) are considered to be associated where they meet the definition of ‘Related Persons’ in [regulation 128 of the Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#).

Examples of activities could include manufacturing, exporting, purchasing, warehousing, sales (domestic), sales (export), further processing of the goods subject to review.

	Company name	Location (city, country)	Activities	Relationship
Associated Party 1	N/A	N/A	N/A	N/A

+ Add additional rows as required



Section B – Goods subject to review

In the tables below, please specify each product category of the good(s) subject to review that you imported during the POI by indicating the corresponding product category number. For a definition of the product categories, please refer to the section above on *I - Goods subject to review*.

B1 – Imports

In the table below, please fill in your total import volume and total import value during the POI for each product category you imported.

Product category number	Total import volume (t)	Total import value (GBP)
1	251,000 – 500,000	£50m - £125m
2	100,000 – 250,000	£50m - £125m
4A / 4B	251,000 – 500,000	£126m - £200m
5	100,000 – 250,000	£126m - £200m
7	100,000 – 250,000	£50m - £125m
13	251,000 – 500,000	£126m - £200m
21	20,000 – 50,000	£10m - £25m

+ Add additional rows as required

B2 – Sales volume and value

In the table below, please fill in your total UK sales volume and total UK sales value during the POI for each product category you imported.

Product category number	Total sales volume (t)	Total sales value (GBP)
1	251,000 – 500,000	£50m - £125m
2	100,000 – 250,000	£50m - £125m
4A / 4B	251,000 – 500,000	£126m - £200m
5	100,000 – 250,000	£126m - £200m
7	100,000 – 250,000	£50m - £125m
13	251,000 – 500,000	£126m - £200m
21	20,000 – 50,000	£10m - £25m

+ Add additional rows as required



B3 – UK upstream and downstream supply chain

As part of this review, we will conduct an Economic Interest Test to assess whether our preliminary decision is in the economic interest of the UK. Therefore, we ask you to help us identify upstream and downstream contributors to our review. Please provide the names and contact information for any UK-based companies operating upstream or downstream of you in the supply chain for your goods subject to review.

[See confidential version]



Section C – Additional information

Provide any other relevant information your company considers useful to assist TRID, in the box below.

This may include:

- other companies which you think should receive a questionnaire;
- scope of the investigation, including product categories and/or custom codes you think should be added or removed; and reasons and reasons why substantiated with evidence

General Comments on Safeguard Measures

In general, we do not see country specific quota safeguard measures as a practical protection measure in the steel industry for the UK market. This is especially true if the UK is planning on using the 2015 > 2017 reference period for calculation of the quotas (as the DIT has done for 1st January 2021 measures).

As an example, if you review the utilisation of EU quotas today, you will see that overall, there is underutilisation of quotas, with fewer tonnes of steel being imported. However, for specific product categories and specific origins, there is huge overutilisation, with quotas being fully utilised in a matter of days and weeks in some instances.

The reason for this is that the trade flows of this industry are very fluid, and so using a historic reference period to set future imports will not necessarily result in accurate quotas. This is further exacerbated by the past introduction of other protectionist measures (dumping duties etc). We can see in the EU that basing the quota levels on historic trade flows is having a distorting effect on the market (and it is worth bearing in mind that the EU market is much larger, and so in theory these distortions should be more easily spread).

With the UK market being much smaller in size, if the UK imposes the same safeguard protocol of country specific, quarterly quotas, based on historic imports, we expect that there will be over-provision of quota in some areas, and big under-provision in others - to the detriment of UK industry.

Product Category 4B

There is a product under this category - Electrogalvanised Coil (CN code 7210 30 00) - for which there is no UK production. As such, we see this as clear evidence for this product / CN code to be excluded from the quotas entirely.



Product Category 5

1. Exclusion Request (Entire Category)

Our customers have continued to advise that there simply is not enough domestic production of Organic Coated material (from TATA Steel) to serve the entire market. This is especially true as this market has been growing consistently over the past 5 years, as can be evidenced by the increases in imported tonnages.

As such, the quotas will not be sufficient to allow trade to continue at its current levels (2019 levels are much increased on the 2015 > 2017 average). We therefore believe this product shows clear grounds to be excluded from the UK Safeguard Measures entirely, as the measures will not allow sufficient imports (when combined with domestic production) to ensure adequate supply of these products to the UK construction market. This will almost certainly lead to construction projects being cancelled or delayed, impacting the economy at a time where all and any economic support is crucial.

We note that the UK has already taken decision to exclude some product categories from 1st January 2021 quotas (categories 3, 8, 9, 10, 18, 22, 24) as there is not sufficient UK production to meet the needs of the UK end users.

2. Exclusion Request (Specific Product Category)

Alternatively, we ask that the DIT to consider the exclusion of one particular Organic Coated product.

Within the Organic Coated product group, there is a specific product (Plastisol Coated Steel) which is the most at risk from these measures. Many large UK consumers rely on imports for this specific product as there is not sufficient supply from TATA domestically to meet their needs. There is some EU production of this material, but again not sufficient to meet the UK market demands.

This product is almost unique to the British Isles market, and the Korean mills have spent a long time developing a quality product to meet the demands of the UK market, and fill the supply shortage which is evident. Other Organic Coated products are better serviced by European supply, but Plastisol Coated Steel is a real concern for the UK customers.

We therefore believe this specific product shows clear grounds to be excluded from the UK Safeguard Measures. It would be possible for the UK to create a separate sub tariff code for this specific plastisol painted product, which could be excluded from the quota system. For reference, the EU followed a similar splitting out policy with respect to 4A & 4B, so as to protect the automotive industry, and as such there is precedent to protect the interests of an industrial sector, in this instance, construction.