

**The Government of Taiwan (R.O.C.)**

**Comments on the Statement of Intended Preliminary Decision  
regarding the Transition Review of Safeguard Measures on Certain  
Steel Products**

The Bureau of Foreign Trade of the Ministry of Economic Affairs, on behalf of the Taiwan Government, would like to make the following comments on the Statement of Intended Preliminary Decision regarding the transition review (“the Statement”) conducted by the Trade Remedies Investigations Directorate (“TRID”) of the UK:

**I. It is unnecessary to continue the safeguard measures.**

1. Pursuant to paragraphs 41 and 65-66 of the Statement, the UK indicates that the trade measures of numerous countries, including the US Section 232 measures, are one of the factors that led to an increase in imports into the UK. In response to the US Section 232 measures and the fear of trade diversion, the EU, Turkey, the Eurasian Economic Union, Canada, China and Ukraine had applied trade remedy measures.
2. The context given in the Statement changed after President Joe Biden took office in January 2021. The current US administration has already introduced or initiated policies and measures with significantly different positions and approaches. One recent example is that the Biden administration and the EU began discussions to resolve the trade disagreement over steel and aluminum imports. In

addition, the Coalition of American Metal Manufacturers and Users also requested President Biden to immediately terminate the Section 232 tariffs on steel and aluminum, stating that the tariffs have damaged the consumption of these metals.<sup>1</sup> Given these new developments and views that the safeguard measure should be an emergency action that adversely affects fair trade, we believe that the reasons presented by the UK are too narrow to justify the necessity of extending the transition safeguard measures.

**II. If TRID decides to extend the transition safeguard measures after 30 June 2021, we submit that:**

1. The UK should positively consider excluding 6 product categories from Taiwan to the UK from the application of safeguard measures. The imports from Taiwan to the UK for categories 2 (1.35%), 5 (1.92%), 13 (0.00%), 19 (0.00%), 20 (0.05%) and 21 (0.52%) did not exceed 3% between 2017 and 2019 according to the HMRA data. Pursuant to Article 9.1 of the WTO Agreement on Safeguards, these products shall be exempted because the safeguard measures shall not be applied against a product originating in a developing country Member as long as its share of imports of the product concerned in the importing Member does not exceed 3%.
2. Since there is no precedent for a WTO Member to partly transpose another Member's safeguard measures and conduct a transition review to extend those measures, the term of the extended transition safeguard measures is debatable. In reality, the UK had already

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<https://www.spglobal.com/platts/en/market-insights/latest-news/metals/021021-us-metals-end-user-s-urge-biden-to-drop-section-232-tariffs>

applied the safeguard measures on the same steel products for about 3 years, and thus the extension of the measure shall be accompanied by evidence that the UK industry is adjusting. Moreover, the UK shall review the situation no later than the mid-term of the measures and consider withdrawing them or increasing the pace of liberalization (Article 7.4 of the WTO Agreement on Safeguards).

III. In conclusion, we wish to draw TRID's attention to the latest changes on global economic dynamics, that the necessities to extend the transition safeguard measures are no longer valid. Should the UK decided to continue these measures, we urge TRID to exempt Taiwan's imports regarding product categories 2, 5, 13, 19, 20 and 21, as well as comply with Article 7.4 of the WTO Agreement on Safeguards.