

Your reference	Statement of Intended Preliminary Decision TF0006
Your message of	May 19, 2021
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Document	Comments on UK Safeguard_voestalpine.docx
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- » **Comments by voestalpine on Statement of Intended Preliminary Decision TF0006 - Safeguard measures on certain steel products**

Dear Ladies and Gentlemen,

Regarding your preliminary decision concerning the safeguard procedure, we, as voestalpine, would like to mention the following additional aspects:

- » Already recommended exceptions are positive and essential for the local industry especially
 - » where no UK production is affected e.g. product no. 4B Metallic coated sheets / codes 7210 30 00, 7210 69 00 30 or
 - » no increased imports or no serious injury was found e.g. product no. 7 Non-Alloy or Other Alloy Quarte Plates / codes 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
- » **General argumentation** for further exceptions
 - » Automotive, Household Appliance, Infrastructure and Energy Industry
 - » voestalpine is a long-term and reliable partner to main UK Industry branches
 - » voestalpine has long-term relationships to all its customers
 - » In this context we are supplying our clients in a constant and reliable manner, not on occasion or spot business basis
 - » In the automotive business we usually have multi-annual contracts and delivery liabilities for the whole life cycle of an automotive model or part, which is approx. 7 years.
 - » Securing jobs and employment in the UK
 - » voestalpine is delivering steel to important industry segments in the UK, mainly Automotive, Household appliance, Infrastructure and Energy industry
 - » We support and secure a substantial amount of jobs at OEMs, TIER1 and TIER2 suppliers with shipping unique steel grades for critical parts which can't be sourced locally

- » Duties will be passed on to our customers which will result in competitive disadvantages of UK companies
- » greentec steel
 - » voestalpine has already reduced emissions like CO₂, NO_x and others significantly and by far more than its competitors
 - » Beside this we can offer UK customers greentec - steel with reduced carbon footprint
- » **Product category argumentation**
 - » 4B - Metallic Coated (Automotive Grades)
 - » voestalpine is a long-term and reliable partner to the UK Automotive Industry
 - » voestalpine has long-term relationships to all its customers
 - » Typically, we have contracts lasting for several years and delivery liabilities for the whole life cycle of an automotive model or part, which is approx. 7 years
 - » voestalpine is delivering steel grades specialized to its customer needs (with restricted tolerances)
 - » Highly adapted to tools, further processing steps and special parts of our automotive customers. A change to another supplier would cost our customers time to adapt the tools and stamps, bring additional homologation costs, claim costs and higher risk due to lack of alternative suppliers
 - » Customized steel for security or critical parts can hardly be changed during life cycle, and would last years to get all the approvals necessary
 - » Typical model life cycles are planned, and part deliveries homologated for 7 years
 - » Local UK industry branches benefit from receiving the latest innovations on steel
 - » AHS steel grades >900 Mpa not produced within the UK
 - » voestalpine is delivering Advanced High Strength Steel to UK customers as there is no local production of steel with more than 900MPa
 - » AHSS grades with tensile strengths higher than 900MPa should therefore be excluded from the quota
 - » steel grades for outer skin parts not produced within the UK and sourced outside UK
 - » voestalpine is delivering these grades to UK customers as there is no local production for steel grades for outer skin parts

Product category 4B should therefore be excluded from the safeguard measures or receive a significant higher quota to serve UK key industries – relevant tariff code for these steel grades → 7225 9200

- » 2 – Non-Alloy and Other Cold Rolled Sheets
 - » AHSS high-ductility steel grades >900 Mpa not produced within the UK
 - » voestalpine is delivering Advanced High Strength Steel to UK customers as there is no local production of steel with more than 900MPa
 - » AHSS grades with tensile strengths higher than 900MPa should therefore be excluded from the quota

Product category 2 should therefore be excluded from the safeguard measures or receive a significant higher quota to serve UK key industries – relevant tariff code for AHSS grades → 7225 5080

For more information on AHS steel grades, please refer to the UK Parliament Report 2017 page 78 & 84
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/668090/UK_Steel_Capabilities_-_Appendices_-_FINAL_141217.pdf

- » "...The key developments in the automotive sector are: - Increasing share of AHS and UHS steels as vehicles increase light weighting in response to emissions targets. UK does not produce any of these value-added grades, which are consumed in the automotive sector, and this is a very significant lack of capability. There is demand for coatings >Z600, galvanized (used in automotive body in white [BIW] applications) and zinc-magnesium coated sheets. Increasingly, these are becoming important differentiators and value-added components in a producer's product mix..."
- » „ ...Automotive steel is a huge strategic area in which the UK has marginal presence. It has not made the investments in aligning its capabilities with the demand of the industry. The roots of these issues can in part be traced back to the industry struggling to make margins and invest the surpluses to develop the capabilities. Some capabilities have migrated out of the UK as an economic response...."
- » "... AHS is likely to be the main bulwark of steel grades. When comparing the future grade requirements, the UK's capabilities are not in lockstep with the automotive industry. For the UK to become a dedicated supplier to the automotive industry, it will need to address the following:"

Best regards

Andreas Thüringer

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