

## UK Steel response to SIFD – TQ0066

In its Statement of Intended Final Determination (SIFD), the TRA has proposed a number of modifications to the UK's steel safeguard quotas. The TRA has clearly recognised the significant pressures the steel sector is under and the changes in domestic and international market conditions. UK Steel welcomes the intended recommendation to remove the carry-over facility from quarter to quarter, to remove access to the residual quota in the final quarter by countries with their own quotas and to introduce country caps to the "Other countries" quota for categories 4,7 and 13.

However, UK Steel would like to raise concerns over the implementation timeline and specific level of cap proposed. The implementation of country caps in October instead of July, and caps of 40% instead of the requested 15%, do not adequately strengthen the effectiveness of these quotas. Furthermore, these measures are weaker than those implemented by the EU.

In addition to our submission of 2 May, which addressed several of the points made by importers, UK Steel submits the following in relation to these two recommendations by the TRA.

### **Date of implementation of country caps**

The TRA has proposed 1 October as the date at which the introduction of country caps would take effect, instead of 1 July. The reasoning provided is the following:

*"We have had regard to submissions regarding the longer lead times involved for some products to arrive in the UK. As this review was not initiated until 26 March, we recognise that importers made sourcing decisions without knowing of the possibility that country-specific caps would be imposed. Therefore, in order to allow sufficient time for the market to adjust, we recommend that country caps not be imposed until 1 October 2025."* (paragraph 79)

UK Steel submits that this review was initiated on 26 March and importers will have been aware of potential changes to the quota administration based on UK Steel's application and similar developments in the EU. It is up to importers to manage that risk.

The EU did not provide any time at all to importers to adjust – indeed, it announced changes on 24 March of a far greater scale than what is being considered in the UK, taking effect 1 April. UK producers exporting to the EU were also faced with this change without any notice. When the recent US steel tariffs were announced, the UK steel industry had a month before they were implemented. UK importers would have had about seven weeks' notice from the publication of the SIFD to a July implementation of changes. This would have been more than ample.

Besides, imports landing in the new quarter will still have available quota to use, they will not be faced with immediate tariffs like UK exports were to the US. If importers have chosen to book such large orders from individual origins at a time of a review and particularly at a time of low demand, this suggests that these cargoes were likely booked at below market prices. Importers regularly use bonded warehouses when shipments arrive, keeping material there until the next quarter if quotas are full and they do not want to pay the tariff, so this is also an available option.

In addition, as the EU has already introduced caps to its own safeguards, the longer the UK caps take to be implemented, this creates a window whereby there is an incentive for steel that is on its way to the EU to be redirected to the UK.

Finally, in addition to all the practical considerations, there is also the point of principle around having a responsive and agile trade remedies system. Other countries have demonstrated they are ready to take swift action to defend their domestic steel industries, in the context of the scale of the challenges faced. We cannot afford to be less decisive with our response here in the UK. UK Steel submits that an implementation date of 1 July for all proposed changes by the TRA is not only fair and proportionate, but also necessary to adequately defend the UK steel industry from the enormous challenges and massive changes to global steel dynamics.

## Level of cap

The TRA has proposed a 40% cap to individual country imports under the “Other country” quota for categories 4, 7 and 13, instead of the 15% requested by UK Steel on grounds of ensuring sufficient supply.

The TRA states: *“In determining the country-cap to apply, the TRA has looked to strike a balance between exporting countries’ access to the UK market, importers’ need to access steel from international suppliers, and protection of UK domestic industry.”* (paragraph 74)

While UK Steel accepts the need for a balanced system, we also respectfully submit that 40% does not sufficiently address our concerns around crowding out and is much more generous than the 13%-30% caps set by the EU. For categories 4, 7 and 13 specifically the EU cap applied is 20% (and 25% just for 4A).

Furthermore, there is no question of insufficient supply, particularly for products like metallic coated sheet, plate and rebar. In our previous submission, we have already shown that these are amongst the highest exported and commoditised finished steel products. These are supplied by numerous countries around the world, and this is reflected in the often regularly changing trade flow patterns. Supplier countries will appear and disappear from the market as importers find different trade routes and then crowd into them.

For instance, in the rebar market, while Portugal has traditionally dominated the European supplies of category 13, at various times China, Turkey, Algeria and Russia have all exported significant volumes into the UK, appearing and disappearing from the import data in line with commercial opportunities. Egypt has become a considerable supplier in 2025. The claim by some importers that there are not enough CARES accredited suppliers is also false. The list of CARES approved steelmakers – an accreditation for steel to be used in the construction industry – includes suppliers of category 13 steel from the UAE, Nigeria, Saudi Arabia, Qatar, Malaysia and more, all potential sources of imported steel.<sup>1</sup>

Similarly in category 4, China was a substantial supplier a decade ago, while as of 2024, India, Vietnam and South Korea combined had 43% market share in the UK. Taiwan has been another common option for UK importers. In category 7, when traders shifted away from Ukraine and Russia, they increased their volumes from South Korea, but also Turkey. New suppliers also emerged such as Indonesia, UAE and Taiwan.

New routes of trade are continually found, and with the growth of global steel capacity continuing to outstrip the growth in demand, more and more steel will find its way into export markets. Global steel demand declined by 1% (18 million tonnes) in 2024 compared to 2023<sup>2</sup> while global installed capacity increased by more than 50 million tonnes to 2,482 million tonnes.<sup>3</sup>

Given the reduction in UK steel demand, the quotas remain both amply oversized and even with a 15% cap, there would be more than enough countries in the world that could supply the UK and meet domestic demand.

The TRA has rightly assessed that there are grounds for introducing country-specific caps for categories 4,7 and 13. UK Steel has demonstrated that there should be no concern over insufficient supply even at the 15% level. Should the TRA deem that this is too low, then UK Steel submits that a 20% cap would be reasonable, in line with the EU’s equivalent measure, and would allow imports from a wide variety of suppliers without letting imports from underpriced origins crowd-out other sources and dominate the market, causing disruption to the domestic industry.

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<sup>1</sup> [Database Search - Cares Steel Certification](#)

<sup>2</sup> WorldSteel Association: Short Range Outlook, October 2024.

<sup>3</sup> OECD: Latest developments in steelmaking capacity and outlook until 2027, DSTI/SC (2024) 15, October 2024.