

**Tariff Rate Quota (TRQ) review of the safeguard measure
on imports of certain steel products (TQ0066)**

**Submission of the Korea Iron and Steel Association
(KOSA) regarding the Statement of Intended Final
Determination (SIFD) of the TRA**

26 May, 2025

I. Introduction

1. The Korea Iron and Steel Association ("*KOSA*"), as a representative body of the Korean steel industry, submits its views on United Kingdom's ongoing review of the steel safeguard measure, following the publication of the Statement of Intended Final Determination ("*SIFD*") of the Trade Remedies Authority ("*Authority*") on 13 May 2025.
2. KOSA respectfully provides the following comments on the SIFD focusing on four points: (i) maintain the principles of the SIFD, (ii) maintain the country-specific cap at the level of 40% for category 4 and 7, (iii) maintain the carry-over system, and (iv) maintain the rate of liberalisation of the measure.

II. Maintain the core principles of the SIFD

3. KOSA respectfully urges the Authority to uphold the balanced and pragmatic approach reflected in its SIFD during the final determination process. Korea and the UK have enjoyed a mutually beneficial relationship grounded in respect, trust, and shared economic interests. This partnership has been further solidified by the Korea-UK Free Trade Agreement (FTA), which emphasizes both nations' commitment to rules-based trade and mutual prosperity, and we hope that such a friendly relationship will continue in the future.
4. KOSA recognizes the Authority's efforts to strike a careful balance between protecting domestic industries and ensuring a stable supply of essential materials through global trade, and hope that the same principles will be maintained in the final determination.
5. In particular, the decision in SIFD to postpone the introduction of the country-specific cap for category 4 and 7 to October 2025 must be upheld in the final recommendation as it ensures smooth execution of existing contracts, many of which involve long-term planning, and minimizes market uncertainty by providing sufficient lead time for stakeholders.

III. Maintain the 40% country-specific cap for category 4 and 7

6. KOSA respectfully requests that the Authority retain the country-specific cap at the level of 40% for category 4 and 7, as proposed in the SIFD. This cap plays a crucial role in maintaining market stability, ensuring predictable supply flows, and preventing excessive market concentration by certain trading partners.

7. Currently, a substantial portion of the UK's import quotas for category 4 and 7 is allocated to EU member states under country-specific quotas. The combined volume of these EU quotas significantly exceeds the amount allocated under the residual quota system.
8. This imbalance indicates that the UK market for these products is heavily dependent on a narrow set of suppliers — predominantly from the EU. This over-reliance presents risks in the event of EU supply disruptions or policy shifts that affect export availability.

< UK Quota Allocation for category 4 and 7 (K tons, %) >

Product	Source	1Q	2Q	3Q	4Q	Total
Category 4	EU	334	334	326	330	1,323
	Residual	88	88	86	87	349
Category 7	EU	73	73	72	72	291
	Residual	26	26	26	26	104

* Source: Tariff Rate Quota Review (Case TQ0066) - Annex 6

9. The UK import statistics over the past 3 years highlights the dependence for these products. For category 4, around 50% of imports originated from EU member states each year. For category 7, EU member states accounted for 76–81% of imports annually, reflecting even greater reliance.
10. Such data confirms that non-EU exporters — including Korea — play a limited yet important role in supplementing the UK's steel supply. Reducing the country-specific cap would disproportionately restrict access for these suppliers, making the market more vulnerable to external shocks and reducing competition

< UK Imports of Category 4, 7 from EU and Non-EU Countries (K tons, %) >

Product	Source	2022	2023	2024	Share(2024)
Category 4	EU	493	524	503	50%
	Non-EU	524	451	495	50%
Category 7	EU	255	266	237	76%
	Non-EU	61	66	73	24%

* Source: International Steel Statistics Bureau (ISSB)

** Commodity Codes for Category 4 are 721030, 721041, 721049, 721220, 721230, 72251, 722592 / for Category 7 are 720840, 720851, 720852, 720853, 720890, 721921, 721922, 721923, 722540, 722599

11. If the country-specific cap were to be lowered, quota exhaustion competition would intensify, especially among non-EU countries sharing the residual quota. Import surges could also occur early in each quarter as exporters race to utilize available quota, potentially causing short-term price volatility and disorderly market behavior, which can negatively affect the UK's downstream industries.
12. EU steel producers are likely to prioritize internal markets amid declining demand and profitability in the EU, leading to potential reductions in exports to the UK. Given the above considerations, the 40% country-specific cap for category 4 and 7, as proposed in the SIFD, be retained in the final determination.

IV. Maintain the Carry-Over Mechanism for Unused Quota

13. The carry-over mechanism is a practical tool that enhances the ability of exporters and importers to manage shipment schedules and quota utilization effectively. Its removal, as seen in the EU steel safeguard measure review, can introduce significant operational constraints, especially for long-haul trade routes such as Korea–UK.
14. In the case of Korean steel exports to the UK, transit time via sea freight typically takes around two months, meaning that even minor delays in production, loading, or customs clearance can result in a shipment arriving in a different quarter than originally planned. In addition, port congestion issues, frequently experienced at major UK ports like Liverpool, often lead to customs clearance delays, further disrupting planned import timelines.
15. In the absence of a carry-over mechanism, such delays can cause shipments to fall outside their intended quarter and become subject to the next quarter's quota, which may lead to quota shortages and supply disruptions in the UK steel industry.
16. Given the nature of long-haul shipping between Korea and the UK and the potential risks associated with global logistics, KOSA respectfully request the retention of the carry-over system for unused quarterly quotas in the final recommendation.

V. Maintain the Current Rate of Liberalisation

17. Under the WTO Agreement on Safeguards, Article 7.4 requires that safeguard measures be progressively liberalised during their period of application. The current liberalisation rate applied by the Authority in the SIFD already reflects this commitment by ensuring a measured increase in annual quota volumes over time.
18. With only one year remaining before the scheduled expiration of the UK's steel safeguard measures, any reduction to the rate of liberalization at this stage is likely to contradict WTO obligations and create confusion in the market.
19. Therefore, the current rate of liberalisation be maintained without alteration in the final determination to ensure a gradual transition toward a fully liberalised market and minimise market shocks that might arise from unexpected restrictions or changes in quota growth.

VI. Conclusion

20. In light of the above, the KOSA respectfully urges Authority to maintain the balanced and well-considered approach outlined in its SIFD throughout the final determination. Aforementioned comments above will help support stable and fair trade flows, minimize disruptions to the UK's domestic industries, and further strengthen the cooperative trade relationship between Korea and the UK.