

March 12, 2024

Trade Remedies Authority

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Reading RG1 1AF
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Subject: Extension review of Safeguard Measure of Certain Steel Products(Case SE0041)

Dear Sir,

Kindly refer to the investigations in the subject matter, and the “Statement of Intended Final Determination (SIFD)” issued by the Authority. Govt. of India, Directorate General of Trade Remedies, hereby provides its comments in accordance with para A.2 of SIFD concerning the possible extension of the safeguard measure applicable to imports of certain steel products.

1. Introduction

1. On 18 July 2018, the Commission imposed provisional safeguard measures on 23 categories of steel products.¹ On 1 February 2019, the Commission imposed definitive safeguard measures on 26 categories.
2. Subsequently, since its Brexit in January 2020, the UK Trade Remedies Authority (TRA) initiated a transition review on 1 October 2020, to consider whether goods belonging to each specified category of steel products were, during the investigation period considered by the European Commission in connection with EU tariff rate quotas, imported into the United Kingdom in increased quantities. The safeguard measure was transitioned to become a UK measure by transition safeguarding review no. TF0006, based on recommendations dated 11th June 2021. On 7 September 2021, the TRA initiated a reconsideration of its transition review of safeguard measure on certain steel products. On 2 March 2022, “The Trade Remedies (Review and Reconsideration of Transitioned Trade Remedies) Regulations 2022”, came into force which gave the Secretary of State the ability to ‘call in’ transition reviews and related reconsiderations conducted by the TRA. On 22 March 2022, the Secretary of State called in the TRA’s reconsideration of the

¹ Commission Implementing Regulation (EU) 2018/1013 of 17 July 2018 imposing provisional safeguard measures with regard to imports of certain steel products, OJ L 181, 18.7.2018, p. 39.



transition review, and decided to apply a safeguard measure to 15 categories of steel.

3. Since the safeguard measure was transitioned, the TRA have completed four TRQ reviews –data corrections (SM0015), developing-country exceptions (SM0016), (TQ0030) and TRQ allocations (SM0019).
4. Accordingly, Gol, preliminarily submits, that the initiation notice of the TRA, details the issues that are to be considered in the present extension review
 - whether the importation of the goods subject to review in increased quantities is likely to recur;*
 - whether serious injury has been removed, or reduced, in whole or in part due to the application of the definitive safeguarding remedy;*
 - whether it is likely that serious injury will recur if the application of the definitive safeguarding remedy is not extended;*
 - whether the circumstances of UK producers, or domestic or overseas market conditions, are such that the serious injury caused by the importation of the goods subject to review in increased quantities is likely to recur;*
 - any adjustments made by UK producers; and*
 - any other factors we consider relevant.*
5. Gol recalls that the Appellate Body cautioned that safeguard measures are “clearly, and in every way, an extraordinary remedy,” which is “to be taken only in emergency situations.”² That is because, unlike other trade remedies, safeguard measures restrict otherwise fair trade and nullify the tariff concessions that form the core of the multilateral trading system.³
6. These words of caution apply all the more to extending safeguard measures, which should be an even more extraordinary remedy. An “emergency” is a sudden or unexpected serious event that requires immediate action. It is difficult to see what recent sudden or unexpected serious event calls for the extension of the safeguard measures.

² Appellate Body Report, *Argentina – Footwear (EC)*, para. 93; Appellate Body Report, *US – Line Pipe*, para. 80; Appellate Body Report, *Korea – Dairy*, para. 86 (emphasis added).

³ Appellate Body Report, *US – Line Pipe*, para. 80.



7. In light of these circumstances, GoI requests that the TRA exercise great caution in drawing conclusions in the captioned review. In the remainder of this submission, GoI elaborates on its specific concerns.

2. The TRA should assess whether the strict legal conditions for extending safeguard measures are fulfilled

8. Because of their extraordinary nature, safeguard measures are subject to strict legal conditions. To extend safeguard measures, two cumulative conditions must be met as per regulation 35(7)(b) of “The Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019 (the Regulation)”: The safeguard measure should -(1) prevent or remove serious injury; and (2) facilitate adjustment by UK producers.

2.1 Prevent or remove serious injury to the UK producers

9. The first condition for extending safeguard measures is that the UK industry suffers serious injury or is in a position of a threat of serious injury.

2.1.1 Legal standard

10. Regulation 35(7)(b) of the Regulation provides that the period of application of safeguard measures “be extended for a period which is necessary to prevent or remedy serious injury.”

11. First, this condition means that the UK industry must be in a position of a threat of serious injury (in which case the measures prevent the injury). There is a threat of serious injury if it is “A threat of significant overall impairment to the position of UK producers only arises where the TRA considers that threat to be clearly imminent”.

12. To assess whether there is a threat of serious injury, the TRA should *inter alia* consider (1) the volume and price of imports since the original safeguard measures were imposed; and (2) the current state of the UK industry as compared to the health when the original safeguard measures were imposed.⁴

⁴ See, e.g., U.S. International Trade Commission, Large Residential Washers: Extension of Action, Investigation No. TA-201-076 (Extension), Publication 5144, December 2020, pp. 5-25.



13. Second, this condition requires assessing causation: if the subject imports do not cause the (threat of) injury, the safeguard measures cannot be necessary.⁵ There must be a genuine and substantial relationship of cause and effects between the increased imports and the injury.⁶ Effects of other factors cannot be attributed to the alleged increased imports.⁷ Safeguard measures may be imposed “only to the extent necessary.”⁸ Injury caused by factors other than increased imports (which result from the unforeseen developments) must be “separate[d] and distinguish[ed]” from the injury caused by the increased imports.⁹

2.1.2 The Measures are no Longer Necessary to Prevent Serious Injury and Facilitate Adjustment

14. As per Article XIX of the GATT, safeguard measures are defined as “emergency actions” concerning increased imports of particular products, where such imports have caused or threaten to cause serious injury to the importing Member’s domestic industry. As such, a WTO Member can apply a safeguard measure only for such period as may be necessary to prevent or remedy serious injury and to facilitate the adjustment.
15. Since safeguard measures, unlike anti-dumping and countervailing measures, do not require a finding of an unfair practice, the conditions for imposing them are more stringent. The guiding principles of the SG Agreement concerning safeguard measures are that such measures must be temporary; that they may be imposed only when imports are found to cause or threaten serious injury to a competing domestic industry; that they should be progressively liberalised while in effect; and that the Member imposing them generally must pay compensation to the Members whose trade is affected.
16. In other words, safeguard measures are intended for situations in which the UK industry is affected by an *unforeseen, sharp and sudden increase in imports*. The objective is to give the industry a temporary breathing space to make necessary adjustments – safeguards always come with an obligation to restructure.

⁵ Appellate Body Report, *US – Line Pipe*, para. 260.

⁶ Appellate Body Report, *US – Wheat Gluten*, para. 69.

⁷ Article 4.2(b) of the Agreement on Safeguards.

⁸ Article 5.1 of the Agreement on Safeguards.

⁹ Appellate Body Report, *US – Line Pipe*, para. 215.



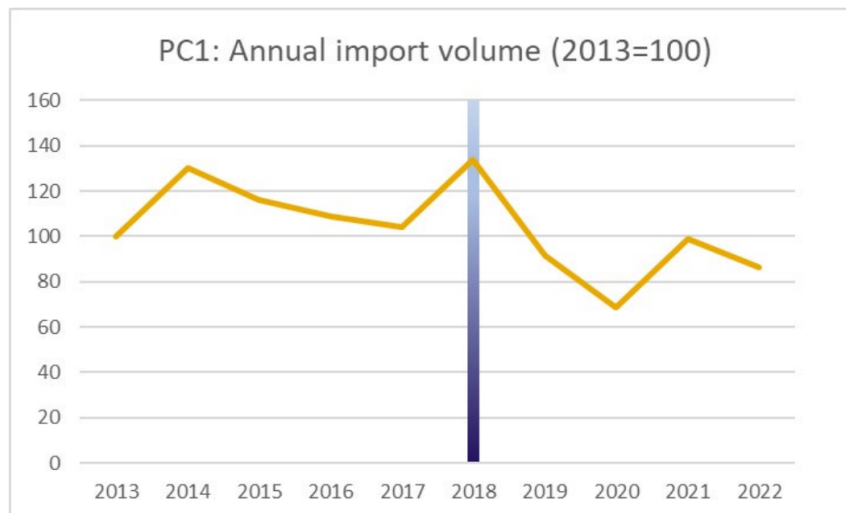
17. According to Article 7.2 of the Agreement on Safeguards, any extension of safeguard measures requires sufficient evidence that the industry is adjusting. This evidence must show that the measures facilitate industry adjustments to either import surges or significant injury. However, the SIFD lacks adequate proof of industry adjustment. The examples cited are producers closing coke ovens, investing in new technology, restructuring operations and increasing vertical integration of supply chains. It has merely been stated that these plans have not been completed. However, it is unclear and not disclosed why the UK industry even after such a lengthy period of protection has been unable to complete its plans. Therefore, extending the safeguard measures based on this information would not meet the criteria outlined in Article 7.2 of the Agreement on Safeguards.

2.1.3 Import volume and price

Product category 1

18. As per Graph 2 of SIFD, yearly UK imports for product category 1, have declined successively, and in 2022 are at levels even below 2013.

Graph 2: Index of annual import volumes for PC1 by financial year



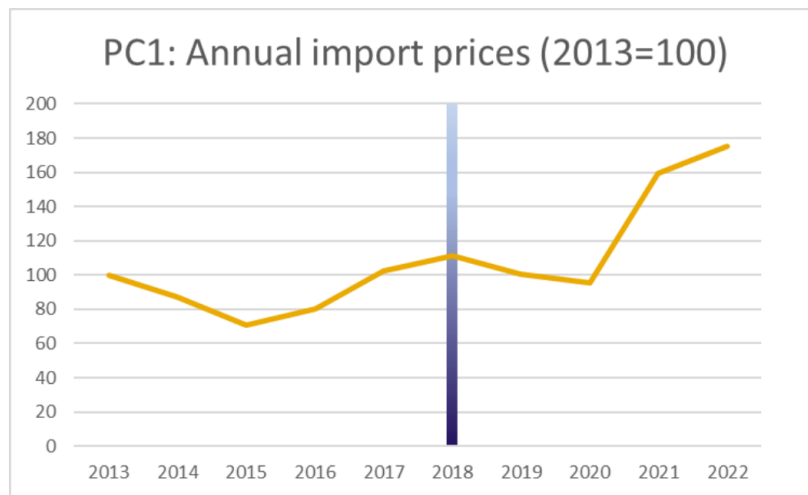
Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018



19. Graph 4 of SIFD shows that prices of imports in category 1. It would be seen that along with decline in import volume, there has been a significant increase in prices in this category. In fact the levels are at its highest since 2013.

Graph 4: Index of annual average import prices for PC1 by financial year



Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

20. It has been stated in SIFD that the UK industry has lost some market share from 2020 onwards, i.e. post liberalization of measures, and market normalization after the pandemic. It has thus suggested that this trend indicates likelihood of increased imports. GoI objects to this assessment as, if the prices of imports and UK producers are close and comparable (para 82), then the UK producers losing their market share clearly indicates, consumer preference. Further, unjust imposition of measures, where consumers clearly prefer the imported goods, shows that in this category, measures fail the economic interest test.
21. Further, based on performance assessment of UK producers engaged in production of this category, it is apparent, that the issues being faced with respect to adjustment are for external reasons and factors that are not impacted by global market conditions or imports. British Steel has sought emergency government funding due to severity of losses; Liberty Steel has also faced severe financial difficulties: and TSUK has only recorded profits in 2021 after 13 years (para 93-96 of SIFD). It would be unjust to continue measures, when the UK producers are unable to compete and survive, despite measures being in force.
22. It is also noted that TRA has initiated two reviews for product category 1 to respond to TSUK's (domestic producer in UK) major planned production changes at Port



Talbot as it decommissions the current blast furnaces and coke ovens and replaces them in time with a greener electric arc furnace. The TRA has accepted both applications on the basis that there has been a change in the market conditions.¹⁰ When the Authority has itself found that there is a situation warranting suspension of measures which further establishes that there is no likelihood of serious injury because of imports

23. Moreover, Gol also objects to the general overseas market conditions that TRA has relied on to indicate that increase imports causing serious injury, are likely to recur. The information relied upon are not product category specific. The product category considered in the investigation are not inter se fungible, thus, general global situation cannot be relied upon. The TRA has been unable to establish how the global market conditions will lead to imports entering the UK market. In the absence of such a link being established, general global trends become meaningless. Further, the market condition of each product category is different. To correlate general global conditions with specific product categories, and the UK producers, a separate/specific analysis is necessary.

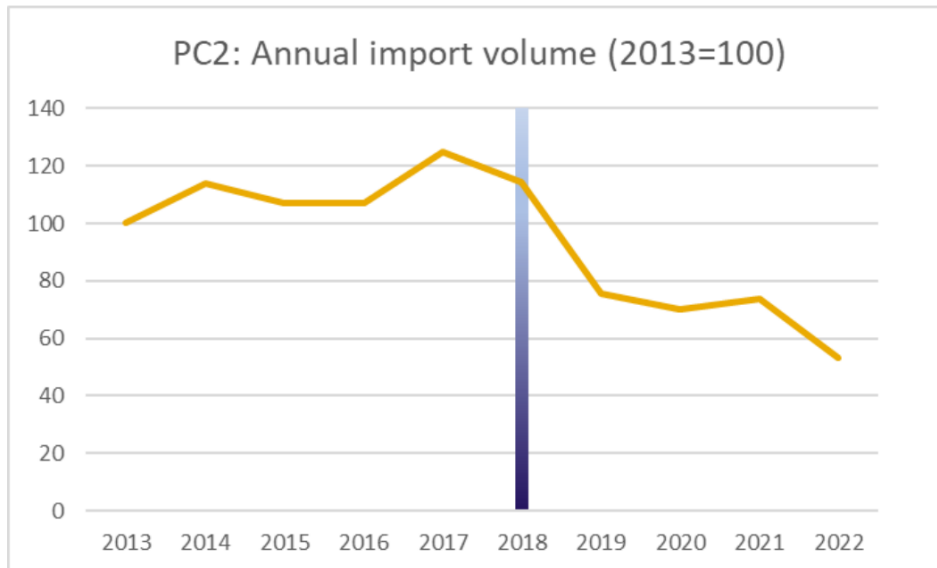
b. Product category 2

24. As per Graph 6 of SIFD, yearly UK imports for product category 2, have declined successively, and in 2022 are at levels even below 2013.

¹⁰ <https://traderemedies.blog.gov.uk/2024/02/09/uk-steel-safeguards-a-story-of-transition-extension-suspension> and amendment/#:~:text=A%20TRQ%20allows%20a%20certain,without%20incurring%20the%20safeguard%20tar iff.



Graph 6: Index of annual import volumes for PC2 by financial year

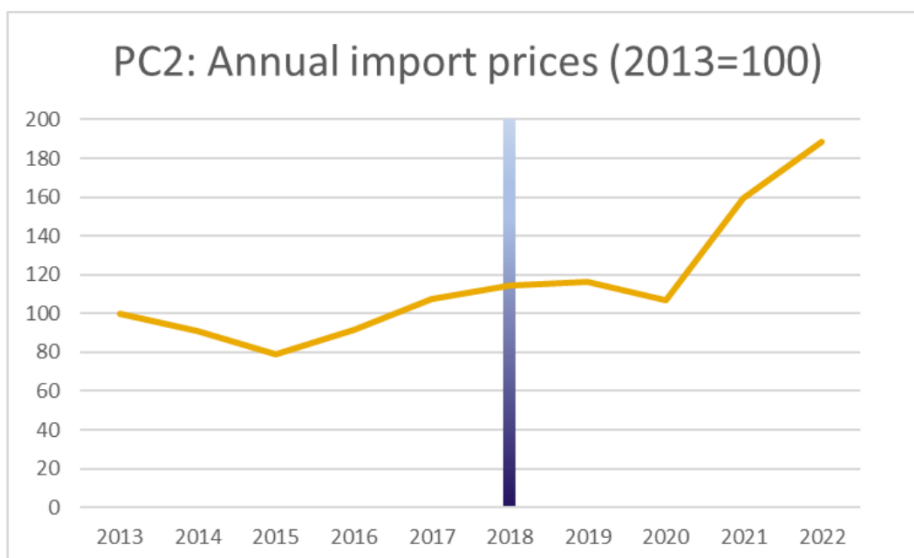


Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

25. Graph 8 of SIFD shows that prices of imports in category 2. It would be seen that along with decline in import volume, there has been a significant increase in prices in this category. In fact the levels are at its highest since 2013.

Graph 8: Index of annual average import prices for PC2 by financial year



Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018



26. It has been stated in SIFD that UK industry is not yet fully adjusted to evolving market conditions, and that output has reduced in recent years, and that submissions suggest that imported goods could undercut domestically produced goods. Gol is unclear the basis of this conclusion as the prices of imports are higher than that of UK producers (para 108). TRA by relying on mere statements of TSUK, has drawn this conclusion without considering actual information. TSUK's submissions are devoid of any evidence/computation that would suggest likely undercutting. Further, Gol fails to understand how the Indian producer of this product (JSW), has made the same submission as TSUK as concluded by TRA. In fact JSW has stated the opposite. JSW has pointed to the inefficiencies and other factors that are impacting the UK producers. Gol, is re-producing the submission of JSW herein below, for TRA to reconsider and specifically address the arguments raised by it:

“The UK has traditionally been an import dependent market, as its output has been falling since years due to operational issues. The industry has repeatedly failed to adjust to evolving market conditions and have been plagued with high costs of raw materials and utilities – particularly energy, labour concerns among other issues. There have been recurrent calls for capital injection from the government and artificially lift up the competitive profile of the industry through measures such as the long standing TRQ based safeguard action since 2018, as well as promote green steel despite its inherent limitations due to high capital outlay and rangebound scalability.”

27. Additionally, it is unclear how current high priced imports, decreased volume and lost market share of imports, indicate likelihood of UK industry to lose market share if measures cease. Gol is unclear of the present condition and its link with likely situation of the market.

28. Further, based on performance assessment of UK producer engaged in production of this category, it is apparent, that the issues being faced with respect to adjustment are from external reasons and factors that are not impacted by global market conditions or imports. TSUK has only recorded profits in 2021 after 13 years (para 122 of SIFD). It would be unjust to continue measures, when the UK producers are unable to compete and survive, despite measures being in force.

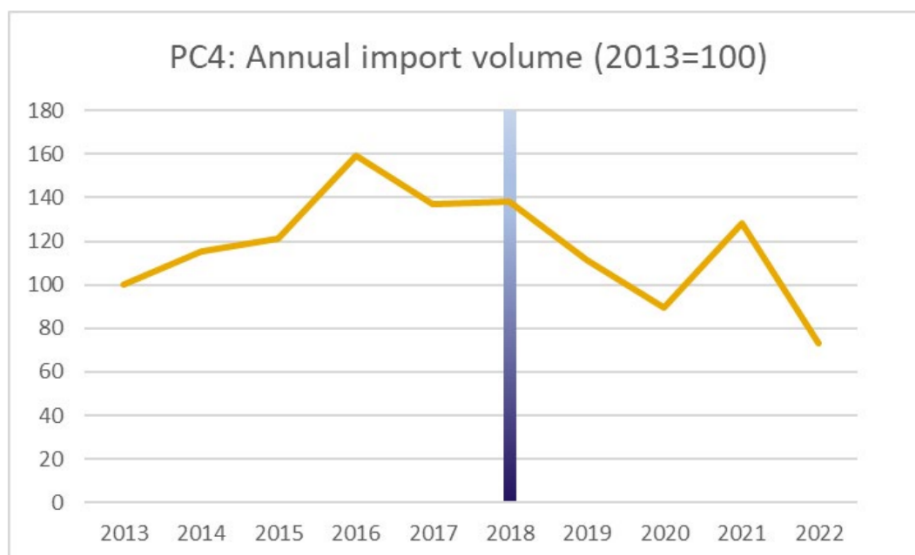


29. Moreover, Gol also objects to the general overseas market conditions that TRA has relied on to indicate that increase imports causing serious injury, are likely to recur. The information relied upon are not product category specific. The product category considered in the investigation are not inter se fungible, thus, general global situation cannot be relied upon. The TRA has been unable to establish how the global market conditions will lead to imports entering the UK market. In the absence of such a link being established, general global trends become meaningless. Further, the market condition of each product category is different. To correlate general global conditions with specific product categories, and the UK producers, a separate/specific analysis is necessary.

c. Product category 4

30. As per Graph 10 of SIFD, yearly UK imports for product category 4, have declined successively, and in 2022 are at levels even below 2013.

Graph 10: Index of annual import volumes for PC4 by financial year



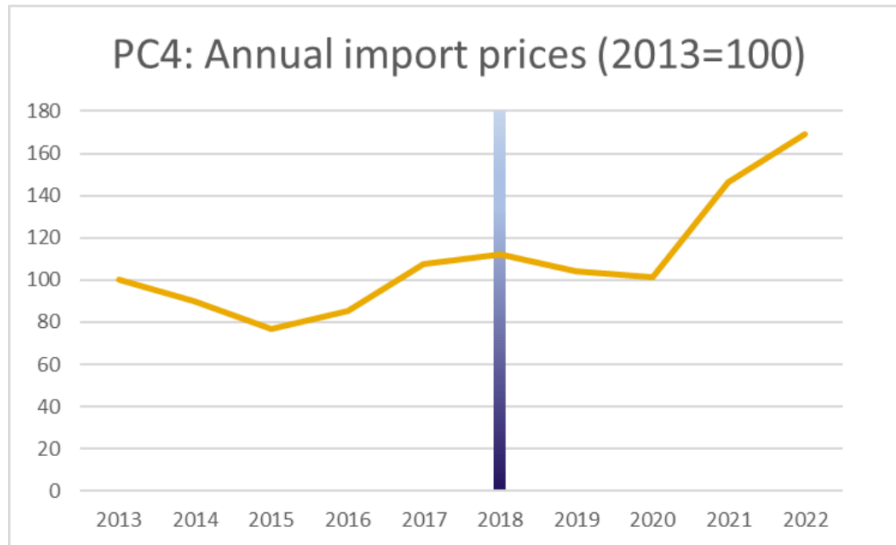
Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

31. Graph 12 of SIFD shows that prices of imports in category 4. It would be seen that along with decline in import volume, there has been significant increase in prices in this category. In fact the levels are at its highest since 2013.



Graph 12: Index of annual average import prices for PC4 by financial year



Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

32. It has been stated in SIFD that the UK industry lost some market share in 2021 to imports (despite measures), due to market normalization after the pandemic. This share was gained by UK industry in 2022 again. It has thus suggested that this trend indicates likelihood of increased imports. Gol is unclear on the basis of this conclusion as slight variations in trends in between the injury period do not necessarily indicate likelihood. Rather such variations could be because of multiple reasons. It is possible that increase in imports post pandemic was because the UK industry had not stabilized and the UK industry recovered and gained its market share in 2022. Market conditions are influenced by multiple factors, and impact of these factors should be seen in isolation.
33. Further, based on performance assessment of UK producer engaged in production of this category, it is apparent, that the issues being faced with respect to adjustment are for external reasons and factors that are not impacted by global market conditions or imports. TSUK has only recorded profits in 2021 after 13 years (para 141 of SIFD). It would be unjust to continue measures, when the UK producers are unable to compete and survive, despite measures being in force.
34. Moreover, Gol also objects to the general overseas market conditions that TRA has relied on to indicate that increase imports causing serious injury, are likely to recur.

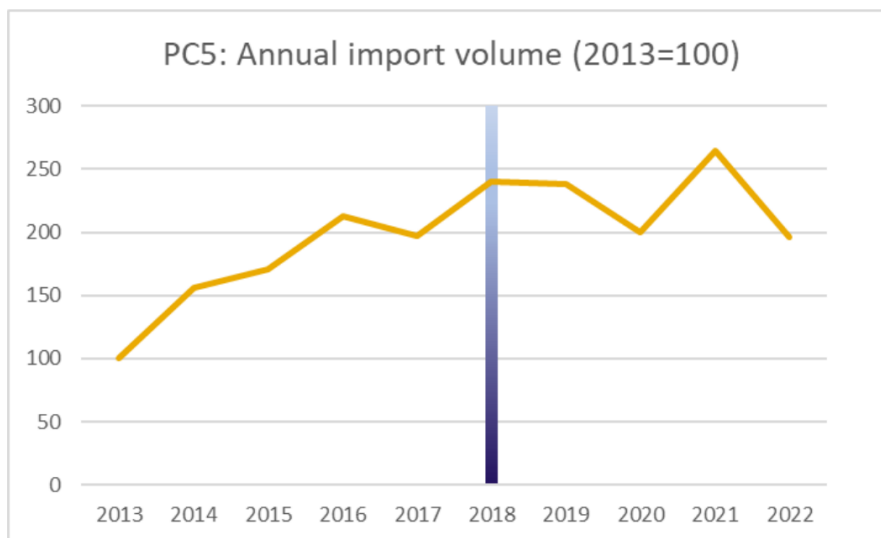


The information relied upon are not product category specific. The product category considered in the investigation are not inter se fungible, thus, general global situation cannot be relied upon. The TRA has been unable to establish how the global market conditions will lead to imports entering the UK market. In the absence of such a link being established, general global trends become meaningless. Further, the market condition of each product category is different. To correlate general global conditions with specific product categories, and the UK producers, a separate/specific analysis is necessary.

Product category 5

35. As per Graph 14 of SIFD, yearly UK imports for product category 5, have declined successively, and in 2022 are at levels even below 2018.

Graph 14: Index of annual import volumes for PC5 by financial year



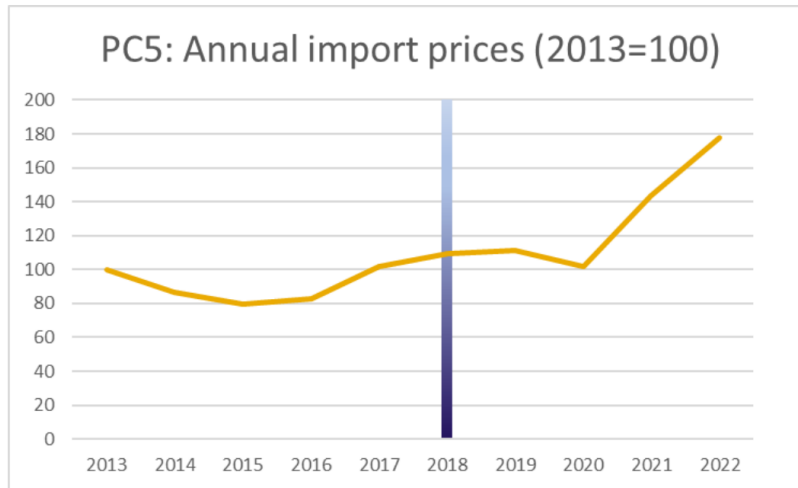
Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

36. Graph 16 of SIFD shows that prices of imports in category 5. It would be seen that along with decline in import volume, there has been a significant increase in prices in this category. In fact the levels are at its highest since 2013.



Graph 16: Index of annual average import prices for PC5 by financial year



Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

37. It has been stated in SIFD that the UK industry lost some market share in 2019 to imports (despite measures), due to liberalization of measures and market normalization after the pandemic. This share was gained by UK industry again. It has thus suggested that this trend indicates likelihood of increased imports. Gol is unclear the basis of this conclusion as slight variations in trends in between the injury period do not necessarily indicate likelihood. It is possible that increase in imports post pandemic was because the UK industry had not stabilized and the UK industry recovered and gained its market share in 2022. Thus, such variations could be because of multiple reasons and such factors should have been adequately examined to come to a reasoned conclusion. In any case market conditions are influenced by multiple factors, however, impact of these factors should be seen in isolation.
38. Further, based on performance assessment of UK producer engaged in production of this category, it is apparent, that the issues being faced with respect to adjustment are for external reasons and factors that are not impacted by global market conditions or imports. TSUK has only recorded profits in 2021 after 13 years (para 166 of SIFD). It would be unjust to continue measures, when the UK producers are unable to compete and survive, despite measures being in force.
39. Moreover, Gol also objects to the general overseas market conditions that TRA has relied on to indicate that increase imports causing serious injury, are likely to recur.

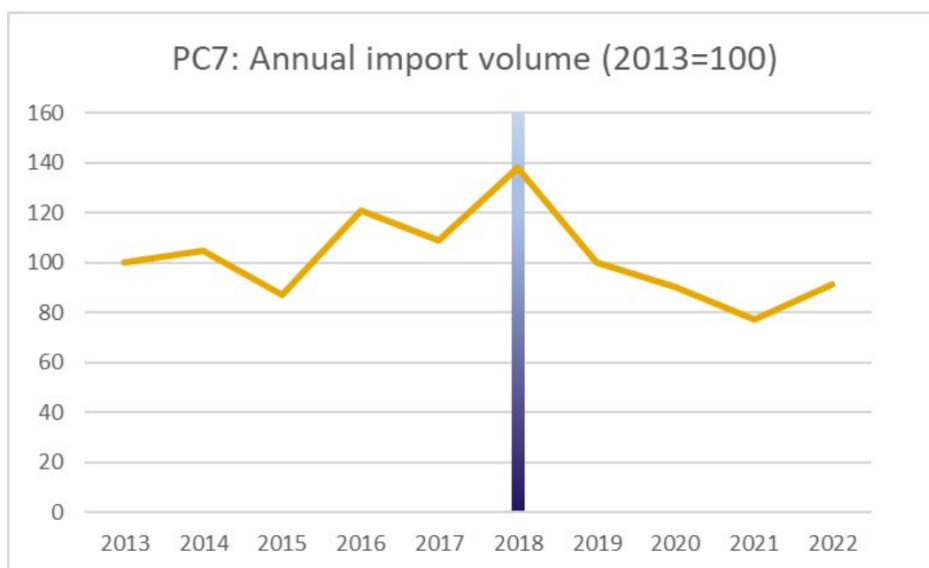


Firstly, the TRA has been unable to establish how the global market conditions will lead to imports entering the UK market. In the absence of such a link being established, general global trends become meaningless. Further, the market condition of each product category is different. To correlate general global conditions with specific product categories, and the UK producers, a separate/specific analysis is necessary.

Product category 7

40. As per Graph 22 of SIFD, yearly UK imports for product category 7, have declined successively, and in 2022 are at levels even below 2013.

Graph 22: Index of annual import volumes for PC7 by financial year



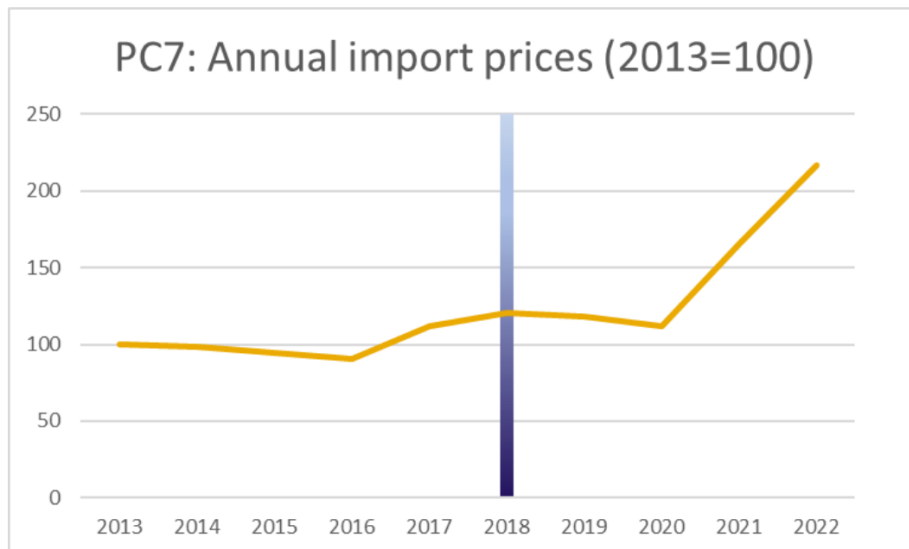
Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

41. Graph 24 of SIFD shows that prices of imports in category 7. It would be seen that along with decline in import volume, there has been a significant increase in prices in this category. In fact the levels are at its highest since 2013.



Graph 24: Index of annual average import prices for PC7 by financial year



Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

42. It has been stated in SIFD that the UK industry lost some market share from 2019 onwards (despite measures), due to liberalization of measures and market normalization after the pandemic. It has thus suggested that this trend indicates likelihood of increased imports. If the prices of imports and UK producers are close and comparable (para 197), then the UK producers losing their market share clearly indicates, consumer preference. Further, unjust imposition of measures, where consumers clearly prefer the imported goods, shows that in this category, measures fail the economic interest test.
43. Further, GoI objects to the assessment of serious injury or threat thereof, as admittedly TRA has not received any injury data for this product category. In the absence of data with respect to performance of producers in this category, TRA concluding on this parameter, is farce. TRA's conclusions in this product category fail the test of regulation 35(7)(a), it has failed to authentically assess whether measure is necessary to prevent serious injury.
44. Moreover, GoI also objects to the general overseas market conditions that TRA has relied on to indicate that increase imports causing serious injury, are likely to recur. Firstly, the TRA has been unable to establish how the global market conditions will lead to imports entering the UK market. In the absence of such a link being

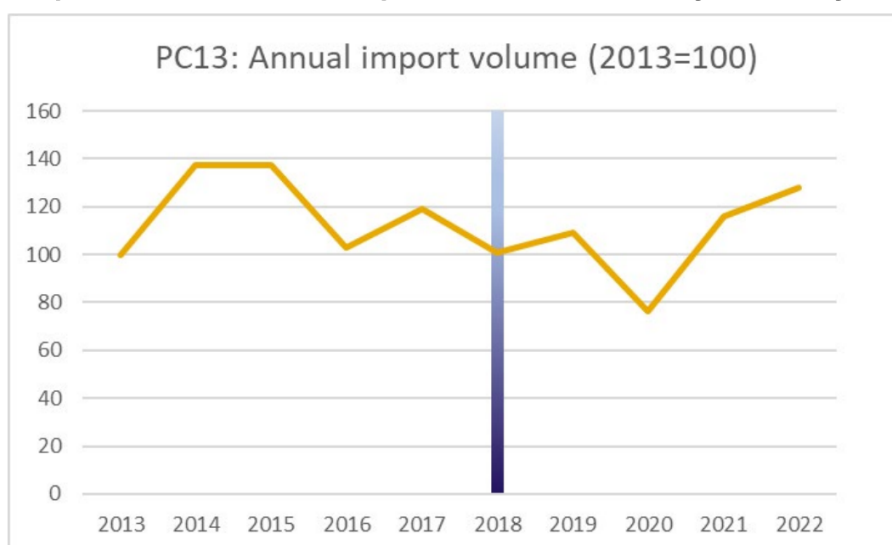


established, general global trends become meaningless. Further, the market condition of each product category is different. To correlate general global conditions with specific product categories, and the UK producers, a separate/specific analysis is necessary.

Product category 13

45. As per Graph 34 of SIFD, yearly UK imports for product category 13, have increased.

Graph 34: Index of annual import volumes for PC13 by financial year



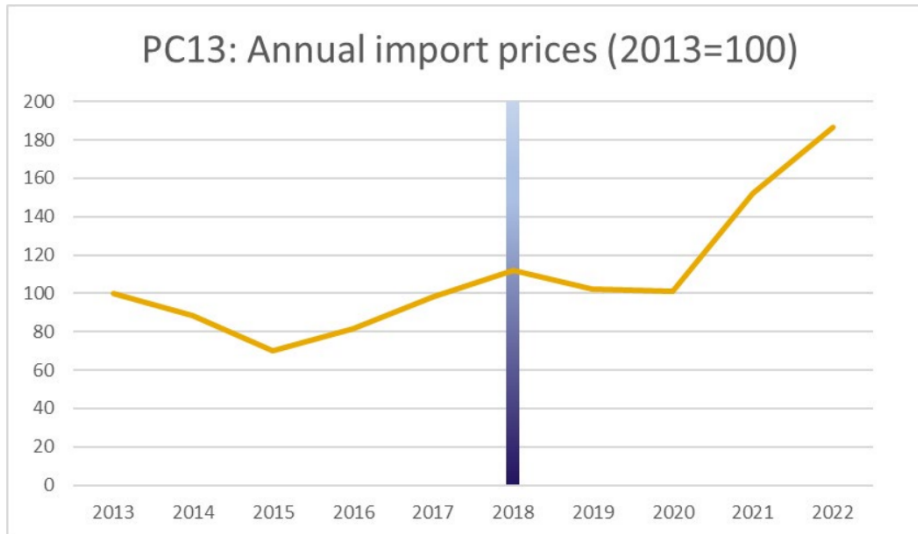
Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

46. Graph 36 of SIFD shows that prices of imports in category 13. It would be seen that along with increase in import volume, there has been a significant increase in prices in this category. In fact the levels are at its highest since 2013.



Graph 36: Index of annual average import prices for PC13 by financial year



Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

47. It has been stated in SIFD that the UK industry has lost some market share from 2020 onwards despite measures being in place. It has thus suggested that this trend indicates likelihood of increased imports. Gol objects to this assessment as, if the prices of imports and UK producers are close and comparable (para 262), then the UK producers losing their market share clearly indicates, consumer preference. Further, unjust imposition of measures, where consumers clearly prefer the imported goods, shows that in this category, measures fail the economic interest test.
48. Further, based on performance assessment of UK producers engaged in production of this category, it is apparent, that the issues being faced with respect to adjustment are for external reasons and factors that are not impacted by global market conditions or imports. Liberty Steel has faced severe financial difficulties. Whereas performance of Celsa, has been exception in terms of profit parameters. Further, in case of Celsa, it is seen that despite general trends suggesting UK industry lost market share from 2020, Celsa whereas gained production volume, sales volume and utilization, in 2021. Dip in volume parameters of Celsa in 2022 are meagre, and in any case do not affect profits, as those have increased exceptionally. Therefore, general trend of market share and performance of industry are not true. Therefore, it would be unjust to continue measures, when some UK producers are unable to compete and survive, despite measures being in force.

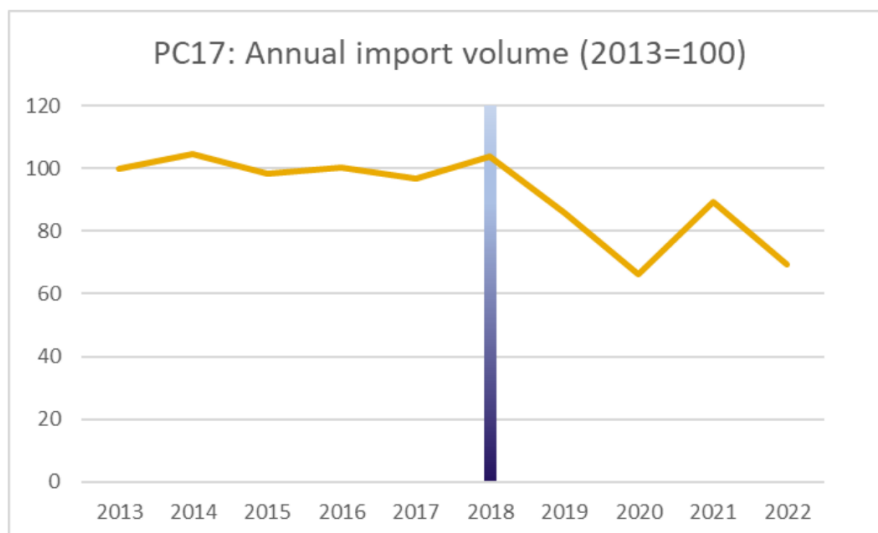


49. Moreover, GoI also objects to the general overseas market conditions that TRA has relied on to indicate that increase imports causing serious injury, are likely to recur. Firstly, the TRA has been unable to establish how the global market conditions will lead to imports entering the UK market. In the absence of such a link being established, general global trends become meaningless. Further, the market condition of each product category is different. To correlate general global conditions with specific product categories, and the UK producers, a separate/specific analysis is necessary.

Product category 17

50. As per Graph 42 of SIFD, yearly UK imports for product category 17, have declined and even below the levels of 2013.

Graph 42: Index of annual import volumes for PC17 by financial year



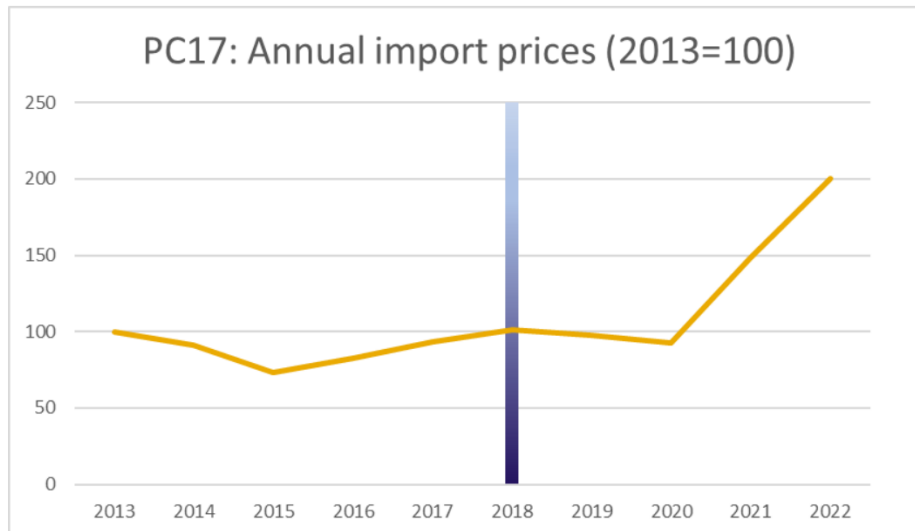
Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

51. Graph 44 of SIFD shows that prices of imports in category 17. It would be seen that along with decreasing import volume, there has been a significant increase in prices in this category. In fact the levels are at its highest since 2013.



Graph 44: Index of annual average import prices for PC17 by financial year



Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

52. It has been stated in SIFD that the UK industry lost some market share in 2021 and 2022 to imports (despite measures). It has thus suggested that this trend indicates likelihood of increased imports. GoI is unclear about the basis of this conclusion as slight variations in trends in between the injury period do not necessarily indicate likelihood. Rather such variations could be because of multiple reasons. In any case market conditions are influenced by multiple factors, however, impact of these factors should not be seen in isolation.
53. Further, based on performance assessment of UK producers engaged in production of this category, it is apparent, that the issues being faced with respect to adjustment are for external reasons and factors that are not impacted by global market conditions or imports. Liberty Steel has faced severe financial difficulties. Whereas performance of Celsa, has been exception in terms of profit parameters. Further, in case of Celsa, it is seen that despite general trends suggesting UK industry lost market share from 2020, Celsa whereas gained production volume, sales volume and utilization, in 2021. Dip in volume parameters of Celsa in 2022 are meagre, and in any case do not affect profits, as those have increased exceptionally. Further, in case of British Steel has also managed to increase its prices in both export and UK market. In fact the increase in the UK market is much higher than exports. Therefore, general trend of market share and performance of industry are not true. These especially cannot be correlated with trend in import volume which is has been



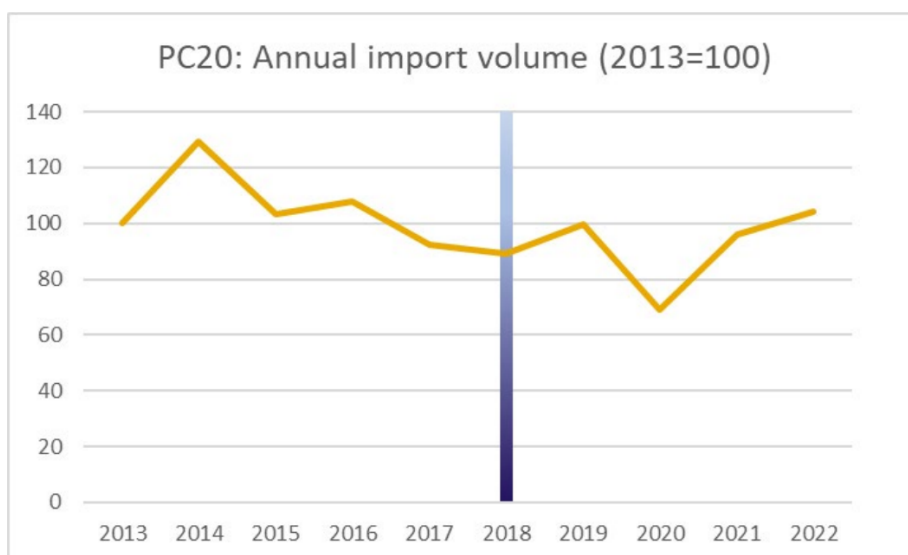
on a declining trend. In the absence of a causal link between the performance of industry and imports, it would be unjust to continue measures, when some UK producers are unable to compete and survive, despite measures being in force.

54. Moreover, GoI also objects to the general overseas market conditions that TRA has relied on to indicate that increase imports causing serious injury, are likely to recur. Firstly, the TRA has been unable to establish how the global market conditions will lead to imports entering the UK market. In the absence of such a link being established, general global trends become meaningless. Further, the market condition of each product category is different. To correlate general global conditions with specific product categories, and the UK producers, a separate/specific analysis is necessary.

Product category 20

55. As per Graph 50 of SIFD, yearly UK imports for product category 20, have increased.

Graph 50: Index of annual import volumes for PC20 by financial year



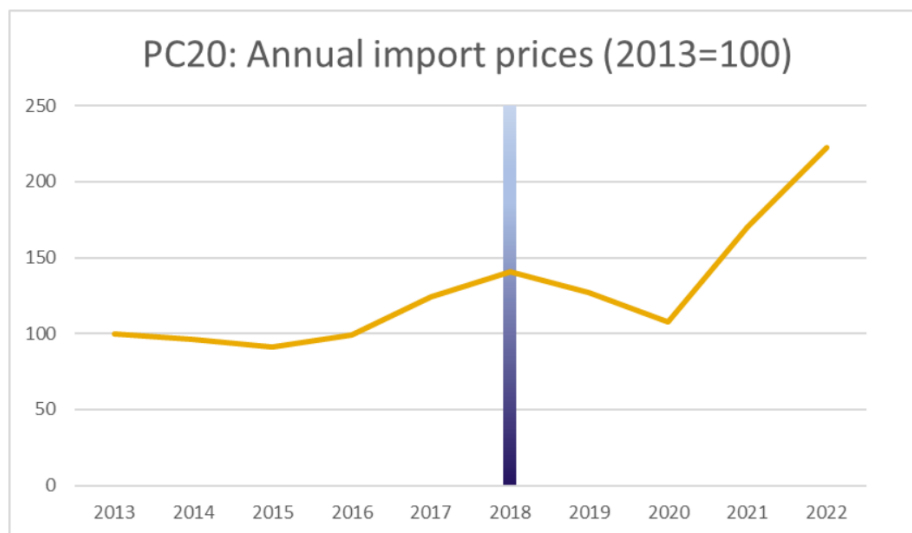
Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018



56. Graph 52 of SIFD shows that prices of imports in category 20. It would be seen that along with increase in import volume, there has been a significant increase in prices in this category. In fact the levels are at its highest since 2013.

Graph 52: Index of annual average import prices for PC20 by financial year



Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

57. It has been stated in SIFD that the UK industry lost some market share in 2021 and 2022 to imports (despite measures). It has thus suggested that this trend indicates likelihood of increased imports. If the prices of imports are higher than that of UK producers (para 348), then the UK producers losing their market share clearly indicates, consumer preference. Further, unjust imposition of measures, where consumers clearly prefer the imported goods, shows that in this category, measures fail the economic interest test.

58. Further, based on performance assessment of UK producer engaged in production of this category, it is apparent, that the issues being faced with respect to adjustment are for external reasons and factors that are not impacted by global market conditions or imports. TSUK has only recorded profits in 2021 after 13 years (para 355 of SIFD). It would be unjust to continue measures, when the UK producers are unable to compete and survive, despite measures being in force.

59. Moreover, Gol also objects to the general overseas market conditions that TRA has relied on to indicate that increase imports causing serious injury, are likely to recur. Firstly, the TRA has been unable to establish how the global market conditions will

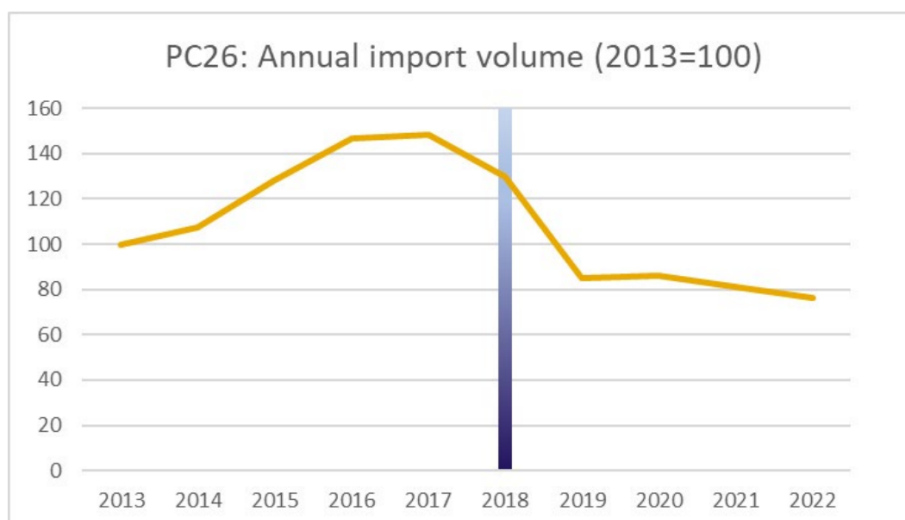


lead to imports entering the UK market. In the absence of such a link being established, general global trends become meaningless. Further, the market condition of each product category is different. To correlate general global conditions with specific product categories, and the UK producers, a separate/specific analysis is necessary.

Product category 26

60. As per Graph 66 of SIFD, yearly UK imports for product category 26, have decreased even below the levels of 2013.

Graph 66: Index of annual import volumes for PC26 by financial year



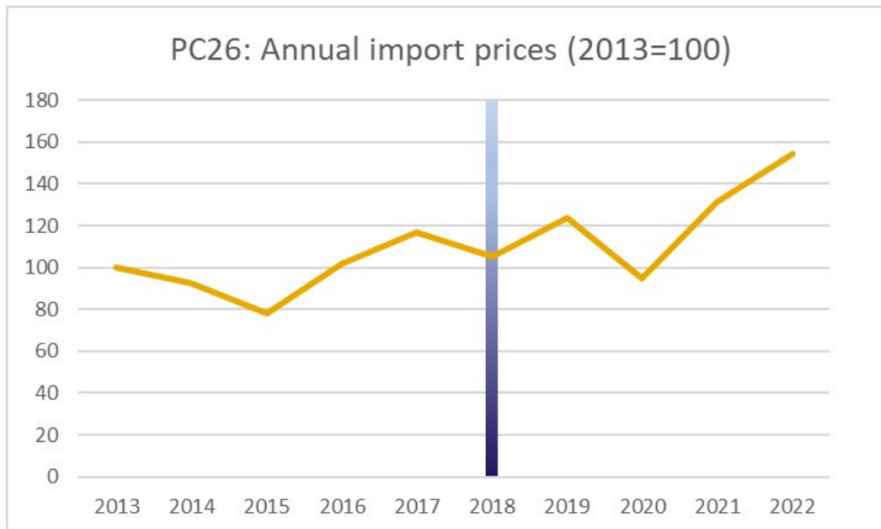
Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

61. Graph 68 of SIFD shows that prices of imports in category 26. It would be seen that along with decline in import volume, there has been a significant increase in prices in this category. In fact the levels are at its highest since 2013.



Graph 68: Index of annual average import prices for PC26 by financial year



Source: Trade data – UK Trade Info

Note: The vertical line indicates the approximate imposition of the provisional EU safeguard measure in July 2018

62. It has been stated in SIFD that the UK industry has steadily increased over the period. It has been stated that:

“The differential in product mix has allowed the UK industry to gain market share particularly in relation to lower priced products. Graphs 66 and 68 (above) provide evidence of this, whereby imported goods during the Pol have reduced significantly in terms of total volumes but imported average prices have increased significantly. Were the measure to no longer apply, this increases the likelihood UK industry would lose market share, as lower priced imports may then again be able to take some of that share back”

63. If the prices of imports are higher than that of UK producers (para 441), UK industry has gained market share and import volumes have declined; Gol fails to understand how this supports the conclusion that imports are likely to enter at low prices if measures cease. Such a conclusion is unsupported by any evidence and is not linked to the market conditions as analysed by the TRA.

64. Further, based on performance assessment of UK producer engaged in production of this category, it is apparent, that the issues being faced with respect to adjustment are for external reasons and factors that are not impacted by global market conditions or imports. TSUK has only recorded profits in 2021 after 13 years (para



453 of SIFD). It would be unjust to continue measures, when the UK producers are unable to compete and survive, despite measures being in force.

65. Moreover, Gol also objects to the general overseas market conditions that TRA has relied on to indicate that increase imports causing serious injury, are likely to recur. Firstly, the TRA has been unable to establish how the global market conditions will lead to imports entering the UK market. In the absence of such a link being established, general global trends become meaningless. Further, the market condition of each product category is different. To correlate general global conditions with specific product categories, and the UK producers, a separate/specific analysis is necessary.

Conclusion

66. It follows that the volume and prices of UK imports for product categories 1, 2, 4, 5, 7, 13, 17, 20 and 26 do not appear to support a finding that the UK industry (threatens to) suffer serious injury. It is also apparent from product categories wherein companies such as financially distressed companies are involved, the adverse performance registered is due reasons other than imports. Gol submits that this suffices to terminate the safeguard measures for the aforesaid product categories.

3. Conclusion

67. For the above reasons, Gol respectfully requests that:

- The TRA assess whether the strict legal conditions for an unprecedented extension of the safeguard measures are fulfilled;
- In this regard, Gol notes that the trends for product categories 1, 2, 4, 5, 7, 13, 17, 20 and 26 do not appear to support a finding of serious threat of injury. On that basis, Gol requests the termination of the safeguard measures for categories 1, 2, 4, 5, 7, 13, 17, 20 and 26;



- If the safeguard measures are extended, they be further liberalized, and the TRA assess whether liberalization should be accelerated; and

Thank you for your consideration in this matter.

With warm regards,

Yours sincerely,



A.K. Gupta
(on behalf of Govt. of India)

