

Follow-up submission to steel safeguards TRQ review

Since UK Steel's application for a TRQ review of the steel safeguards, the trade landscape has continued to deteriorate. US steel tariffs have been maintained, with no exemptions granted to any country and no real appetite seemingly from the US administration to do so. Further tariffs have been announced to key steel consuming sectors, most notably the automotive sector, which is a key UK export to the US. Wider reciprocal tariffs are covering every product, including steel-containing goods such as mechanical equipment and power generators which the UK exports to the US.

This means that in addition to the direct hit to the UK's steel exports to the US and the added pressure of steel trade diversion, the injury is now also extending to domestic demand from steel derivative products and key steel end-use sectors. In what was an already declining demand picture for the UK in recent years, this will represent an additional hit to domestic steel demand. A wider trade war escalation is expected to further downgrade global growth prospects and therefore demand for steel in the UK and abroad.

This further increases the urgency of robust steel safeguards in the UK and demonstrates that existing quotas are oversized relative to current steel demand as well as expected steel demand.

UK would also like to supplement its original submission with more detailed data on UK steel demand and import shares per product category. The vast majority of product categories have seen a reduction in demand and several categories have seen sharp increases in import shares. This is all before the impact of recent trade developments is even felt. The Net-Zero transition of the domestic industry is of course impacting the need to import category 1 steel, but this is not impacting any other categories.

Demand index				
Category 1: hot-rolled sheet and strip	100	88	92	105
Category 4: metallic coated sheet	100	72	72	75
Category 5: organic coated sheet	100	94	64	76
Category 6: tin mill products	100	84	75	75
Category 7: non-alloy and other alloy quarto plates	100	100	104	93
Category 12A: alloy merchant bars and light sections	100	96	77	78
Category 12B: non-alloy merchant bars and light sections	100	64	64	62
Category 13: rebar	100	119	94	100
Category 16: wire rod	100	98	85	91
Category 17: angles, shapes, and sections	100	81	70	77
Category 19: railway material	100	104	54	50
Category 20: gas pipe	100	107	87	85
Category 21: hollow section	100	83	77	82
Category 25A: large welded tube (1)	100	54	83	73
Category 25B: large welded tube (2)	100	64	152	176
Category 26: other welded tube	100	103	114	106

Import share index				
Category 1: hot-rolled sheet and strip	100	107	121	151
Category 4: metallic coated sheet	100	98	94	92

Category 5: organic coated sheet	100	106	81	101
Category 6: tin mill products	100	139	125	137
Category 7: non-alloy and other alloy quarto plates	100	108	108	114
Category 12A: alloy merchant bars and light sections	100	95	98	110
Category 12B: non-alloy merchant bars and light sections	100	117	122	124
Category 13: rebar	100	111	103	101
Category 16: wire rod	100	132	128	135
Category 17: angles, shapes, and sections	100	95	105	128
Category 19: railway material	100	164	242	236
Category 20: gas pipe	100	106	98	98
Category 21: hollow section	100	102	93	101
Category 25A: large welded tube (1)	100	79	107	105
Category 25B: large welded tube (2)	100	97	101	103
Category 26: other welded tube	100	121	130	130

Source: ISSB, HMRC, UK Steel analysis