

Subject: submission on the lasting change of circumstances following Tata Steel UK (“TSUK”)’s requests for revocation of the safeguard measures concerning imports of cold-rolled flat steel (“CR”) (Product Category 2)

Non-confidential

28 October

Dear case team,

In the present submission, TSUK will provide further evidence indicating a lasting change of circumstances in the context of regulation 35A(1)(a) of the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019 (the “Safeguards Regulations”).

First of all, we note that we have informed our customers of the cessation of annealed CR production earlier this year. In our view, this decision in itself constitutes a major change of circumstances that already influences commercial behaviour of various market players in the UK, including TSUK and our customers. We provide a copy of the above-mentioned communication in **Annex 1**.

Second, TSUK’s production facility for annealed CR products (CAPL – Continuous Annealing Processing Line [Non-confidential summary: information related to the underperformance of CAPL. Please refer to Table 1 below for the list of indicators described]. It must be noted that imports from third countries and market weakness for this product have been among the major reasons influencing CAPL’s performance.

Table 1. Key performance indicators of CAPL, FY18-FY24

Indicator	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Capacity, kt	[Confidential]						
Production, kt							
Utilisation, %							
Sales, kt							
Net margin, %							

[Confidential chart]

Table 2 below shows that the deterioration of CAPL’s performance is even more evident in the current financial year compared to the same periods in FY24:

Table 2. Key performance indicators of CAPL, FY24-FY25

Indicator	FY24 Q1	FY24 Q2	FY25 Q1	FY25 Q2
Capacity, kt	[Confidential]			
Production, kt				
Utilisation, %				

Moreover, in the current financial year, [non-confidential summary: CAPL has been lagging behind the annual plan and is expected to underperform for the rest of the financial year].

We also note that there is range of other factors that has been negatively impacting CAPL and its output over the last year. [Non-confidential summary: CAPL has been impacted by high frequency stop and its output has suffered quality issues. The level of investment required for maintenance works is not viable].

In view of the above, TSUK reiterates that there has been a lasting change in market circumstances in the meaning of regulation 35A(1)(a) of the Safeguards Regulation that calls for the revocation of the safeguard measure for product category 2.