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TQ0052 Category 1 TRQ Review

We, Stemcor, believe that the proposed recommendations by the TRA are heavily biased in favour of one particular UK Steel manufacturer and consequently, any fair balance has been lost. The steel industry encompasses a diverse range of members including distributors, service centres, stockists, traders as well as steel producers and their affiliated UK/European companies. There are also many other businesses who *service* the steel trade such as port logistics companies, haulage firms, to name but a few. Combined, the number of people working for these businesses far outweighs the number of people employed by the actual UK Steel Manufacturers. We strongly believe that this segment of the industry should be given a fair and equal opportunity to operate their businesses. Currently we do not feel that their views and positions have been taken into proper consideration.

Considering the above, Stemcor suggest an immediate suspension of TRQs for Category 1 products as per the TRA's recommendation to the Secretary of State earlier in 2024. This would give the TRA more time to review and adjust the new proposals for Category 1 products as outlined in the draft document. Any new measures would have a start date of 1st January 2025 instead of 1st October 2024. We want to ensure that the final solution is fair to all importers and unlikely to face legal challenges. The document in its current form is simply not workable.

Stemcor also question the fairness of a global non-country specific quota for category 1B whilst keeping in place a very restrictive, often unworkable country specific quota for 1A. If a global quota is to be given to 1B, a global quota should also be given to 1A. We strongly believe it is incorrect and inequitable to use historical, out of date statistics for the purposes of calculating a TRQ on 1A when giving no restriction whatsoever on 1B.

We also are concerned there are no provisions in the draft document restricting domestic producers from using category 1A. Without any specific restrictions prohibiting domestic producers from accessing this quota, it leads it open to abuse. Indeed, there is nothing in the proposed draft document outlining how it will be proven that steel imported under category 1B has been 'downward processed'.

In our opinion all of the above issues would be resolved if the measures adopted for Category 1A and 1B are the same. Both should have one global quota with no restrictions by origin. Using data from 2017-2019 to set category 1A country specific quotas does not take into account the constantly shifting trade flow patterns seen in the steel import/export market. The information is out of date. A lot has changed on a global level, both politically and economically, since 2017-2019, as I'm sure you can all appreciate.

We remain at your disposal for further discussion / clarification

Best regards,



Julian Verden