

**SUBMISSION OF THE GOVERNMENT OF THE REPUBLIC OF KOREA
REGARDING THE TARIFF RATE QUOTA REVIEW OF THE SAFEGUARD
MEASURE ON IMPORTS OF CERTAIN STEEL PRODUCTS (TQ0066)**

9 April 2025

The Government of the Republic of Korea hereby submits its views on the United Kingdom's ongoing review of the steel safeguard measure, the scope of which was expanded on 26 March 2025 to cover an assessment of whether the tariff rate quotas applicable to certain steel products should be varied in view of changed circumstances (TQ0066).

As you know, our Governments are like-minded partners, both committed to the rules-based international order and to trade liberalisation. Our bilateral trade relationship is a strong one, supported by a Free Trade Agreement, which came into effect after Brexit. UK businesses have developed strong commercial ties with Korean steel mills because of our shared commitments and stable trading relationship. In this context, we would like to draw your Authority's attention to the following matters so as to ensure the continuation of these ties.

We would like to remind your Authority of its obligations under Article 7.4 of the WTO Agreement on Safeguards, which makes it clear that that a safeguard measure once extended cannot become more restrictive than at the end of the initial period and must continue to be liberalized. To this end, the only options available to recommend to the Secretary of Business and Trade are either a further liberalisation of the safeguard measure or a withdrawal of the measure altogether. Thus, if your Authority finds it necessary to adjust the level of the tariff-rate quotas in the light of the alleged change of circumstances under investigation, such adjustments should only result in an increase of the pace of liberalisation of the current tariff-rate quotas.

Similarly, Article 7.4 of the WTO Agreement on Safeguards entails that any adjustment to a safeguard measure should not lead to a more restrictive or stricter measure in terms of its administration. Your Authority is thus requested to not introduce any amendment to the functioning of the tariff-rate quotas which would make them more restrictive towards imports and therefore inconsistent with international trade rules.

The Ministry of Trade, Industry and Energy, Republic of Korea

In particular, it is necessary to maintain the current carryover system for unutilised tariff-rate quotas during the relevant periods. Indeed, frequent customs clearance delays occur, particularly at the Liverpool Port, due to delays in transportation and customs processing on Korean-UK steel shipments. Any changes against the current carryover system could therefore jeopardize Korean-UK imports that would normally fall within the tariff-rate quotas were it not for customs and shipping processing delays.

Furthermore, we kindly request your Authority to allocate country-specific tariff-rate quotas to Korea for metallic coated sheets (product category 4) and non-alloy and other alloy quarto plates (products category 7), reflecting the average of imports over the last three years. This is because Korean steel producers have established stable supply relationships with customers in the United Kingdom so that the establishment of country-specific tariff-rate quotas would enable more predictable supply and demand planning. It would also be in line with Article 5 of the WTO Agreement on Safeguards.

Finally, access to the residual tariff-rate quotas should be maintained in view of the changes being introduced by the European Union with respect to the steel industry. Indeed, the United Kingdom relies quite heavily on EU imports of metallic coated sheets (product category 4) as well as non-alloy and other alloy quarto plates (products category 7). However, the supply of these products from EU producers is very likely to become reduced in the immediate future in favour of their own domestic market in view of the recent revisions to the EU steel safeguard measure, which will heavily reduce import volumes for these steel products, and its Steel Action Plan, which will further result in the reduction of import volumes. Reduced availability of EU-sourced steel products could cause supply issues for UK customers. In this context, while Korean steel producers would be able to offer an alternative to EU-sourced materials, it would not be possible for Korea to do so were further restrictions on the use of the tariff-rate quotas to be imposed. In other words, access to residual tariff-rate quotas needs to remain available to prevent supply chain shortages.

Given the increasing uncertainty in the global trade environment, it is more crucial than ever for like-minded partners such as ours to uphold the rule of law in international relation and maintain traditional trade flows to ensure certainty for our supply chains. We sincerely hope that the foregoing comments will be appropriately reflected in your Authority's recommendation to the Secretary of Business and Trade.