

Case SE0041: Additional information on quarto plate

Increase in plate imports and injury to UK producers

UK Steel would like to complement its original submission by submitting additional evidence in relation to quarto plate imports into the UK. Imports of plate have increased substantially in the last year, undercutting the UK market and threatening substantial injury to UK producers should the safeguard measure not be extended.

Import data is currently available up to November 2023. Over January-November 2023, imports of plate into the UK increased by 7% compared to the same period in 2022 to 253 thousand tonnes at a time of shrinking demand. Of this total, imports from South Korea increased by 51% to 38 thousand tonnes. These imports are arriving at prices substantially below the UK market price (by approximately £100/t) and are having an impact on the market directly but also on market expectations of further future low priced shipments. These imports therefore are not just having a one-off impact, but a lasting effect. This inhibits domestic and European producers' ability to move prices in line with rising raw material prices as well as energy costs and is causing a substantial change in the industry where the domestic producers are largely frozen out of commodity plate sales (the bulk of the market) in favour of low cost imports.

It is telling, that finished plate prices in East Asia currently sit below the price for the semi-finished product that plate is made from (slab). The SE Asia slab price for January is \$[600-650]/tonne CFR, when finished plate prices in East Asia are at \$[550-590]/tonne CFR and in China at \$[530-580]/tonne FOB.

This illustrates where the industry is in terms of the volumes involved in Asian supply versus European production but despite recent turbulence in markets due to the elimination of Ukrainian supplied slab and the sanctions on Russia, substantially lower prices continue to persist in Asia.

Current UK price for plate is around £[confidential]/tonne base compared to a forward price for South Korean material at £655/tonne landed. In November, which is the most recent month available published by HMRC, import data show South Korean material landing at £661/tonne and at £695/tonne in October demonstrating a clear downward trend which is compatible with the forward price.

It is clear that there is substantial import pressure from origins that are significantly undercutting the UK market and the impact would be far worse in the absence of a safeguard measure for plate. In addition to the analysis presented by UK Steel in its main submission, the evidence submitted here further adds to the body of evidence showing that serious injury to domestic producers will occur should the measure be left to expire.