



International Steel Trade Association

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Trade Remedies Authority
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To whom it may concern

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Response to rebuttals.

We appreciate UK Steel's engagement with the points raised in ISTA's submissions. However, we strongly disagree with several of their conclusions and wish to clarify and reaffirm our position in the interest of balanced policy and market integrity.

UK Steel's dismissal of the need to import 'green steel' by citing existing and transitioning domestic EAF producers fails to acknowledge the immediate supply limitations and technology gaps. The fact that EAF capacity is being developed does not negate the reality that the current domestic supply remains insufficient, particularly in meeting demand for certified low-carbon steel. While definitions of 'green steel' may vary, global and UK industrial clients are increasingly seeking transparent, verifiable low-emission alternatives, which the domestic market is not currently able to provide at scale.

The assertion that the TRQs are "amply sized" and flexible enough ignores the practical limitations importers face due to the proposed carry-over restrictions, residual quota exhaustion, and shifting global trade flows. The request for carryovers and flexible quota management is not based on a theoretical preference but on real operational needs of importers and end-users who require continuity, diversity, and security in supply chains, particularly in a market marked by volatility and the current global situations we are facing.

Our membership have a wealth of experience of what happens in the real world of buying, selling and shipping steel. The obstacles faced every day are not registered in any official data bank hence it is sometimes difficult to present statistics.

We firmly reject the assertion that ISTA attributed weak demand to the safeguards themselves. Our submission clearly outlined that a combination of factors, including macroeconomic conditions, structural challenges, and uncertainty caused by constant reviews is affecting demand. However, it is equally incorrect for UK Steel to dismiss any role the safeguard regime may play in distorting market access, flexibility, and supply responsiveness. Demand uncertainty is compounded when buyers cannot source competitively or flexibly due to protectionist mechanisms.

While UK Steel refers to “underutilised capacity,” it overlooks the critical reasons for such underutilisation: market misalignment, product range limitations, cost-competitiveness, and technology constraints. Rated capacity alone does not equate to capability or suitability. ISTA’s position remains that UK demand cannot be fully met by current domestic production, and safeguards must reflect this reality rather than presuppose future capacity that may or may not be realised.

ISTA stands by its observation that the UK Steel submission is selectively framed. The data referenced omits meaningful detail on product differentiation, actual utilisation of quotas, and the impact of residual caps. As a representative body for a broad spectrum of our members. ISTA’s concern is not simply about quantity but about relevance, responsiveness, and fairness in market regulation. Generalised demand and import figures do not address the challenges faced by downstream users.

Regarding Category 16, our concern was not that UK Steel omitted it in error, but that its submission did not acknowledge the practical consequences of constraints in that quota.

We also reaffirm our position that the tightening of EU safeguards does not automatically translate into a surge of diverted imports into the UK. UK import patterns have remained relatively stable, and when pressures have arisen, the safeguard regime with carry-overs and flexible access has generally managed them. The weakening of this flexibility now threatens that balance.

UK Steel’s references to future government procurement strategies underscore the need to preserve a flexible and diverse steel supply not restrict it. ISTA has not suggested that public projects will drive short-term demand surges, but rather that the policy environment must remain conducive to ensuring sufficient access to imports as market conditions evolve. Limiting access today risks shortfalls tomorrow.

We refer to 7 Steel’s submission. It is noted that Independent Fabricators do source from 7 Steel whenever possible but it is a fact that 7 Steel do not produce sufficient tonnage to cover the UK’s demands and therefore rebar has to be imported. It isn’t the mill owned fabricators who have to import steel, it is the Independent Fabricators and they should have the flexibility to import from competitive, reliable, sustainable sources. They also mention that reinforcing bar in coil demand is negligible but fabricators have been investing heavily to use more reinforcing bar in coil as this avoids wastage and in fact demand now represents 30% of rebar consumption. This is a reality which is in no way represented by the minute Category 16 other countries quota under which Rebar in Coil is currently imported.

We are baffled by TSUK’s submission. We understand that we are in a transition period whilst Blast Furnaces are replaced by Electric Arc Furnaces at great expense. Whilst TSUK are simply steel processors, we fail to understand why they should receive enhanced privileges to any of the other numerous, profitable independently owned steel processors who employ more people and contribute more to the UK’s economy.

To suggest that 2metre wide hot rolled coil – which TSUK do not produce – would be slit to narrower cuts is ludicrous. 2metre wide hot rolled coil is a significant part of the yellow goods market in the UK, including JCB, Caterpillar and Liebherr providing earthmoving, construction and agricultural equipment. 2m wide coil is used in the production of pipes and tubes for various applications including LPG Cylinders, oil, gas and water transportation. They do not constitute a small proportion of the overall market and moreover, they are critical for these main industries, described above. 2metre wide hot rolled coil has to be imported and does not have the benefit of it’s own commodity code. It should also be noted that there is a price premium over and above the standard widths, such as 1250 and 1500mm hot rolled coils.

Statement of Intended Final Determination

In light of the ongoing review of the UK steel safeguards, ISTA wishes to update the Trade Remedies Authority (TRA).

We understand that UK Steel, Tata and 7Steel Celsa may be actively lobbying for a reduction in the tariff rate quota (TRQ) caps. ISTA remains concerned that such measures, if adopted, would disproportionately restrict access to reliable and essential imports for downstream users, while offering little benefit in terms of domestic supply or market stability.

We at ISTA strongly advocate for the continuance of carrying over unused TRQs from quarter to quarter. It is our understanding that under WTO rules, the quotas are annual, we do not believe there are exceptional injurious grounds to attempt to overrule this. Furthermore, we cite the following practical reasons;

- Congestion at UK ports. Customs clearance entries may only be entered for Imported goods once the vessel they have been imported on is actually on the designated berth where the goods will be discharged. Unlike other countries, including the EU, Stevedores in the UK do not operate on a 24/7 discharge basis. Port Congestion which can be caused by bad weather, industrial action, power failures as well as a backlog of vessels could result in a failure to customs clear goods within the intended quarter.
- Avoidance of costly import surges. In order to avoid missing a desired quarter's TRQs, Importers would feel compelled to bring their goods in to the UK earlier in the quarter which would result in an increase in not only financing and freight costs, but also increased warehousing costs and storage pressures.
- Ongoing supply chain disruption. Seasonality of demand of some products – in particular products used in Construction and Agriculture cannot be accommodated by rigid quarterly quotas. Unpredictable delays on long voyages. As you realise, a lot of steel is imported from the Far East or India. Most of these shipments are made on a part cargo basis on vessels sized anything between 20,000 to 50,000 mt. It is quite unusual for these vessels to sail directly from their port of origin to their port of destination. They often have numerous ports of call in the Far East, India and Europe before finally reaching their destination in the UK. These numerous ports of call cause unexpected and uncontrollable delays to the importer. Furthermore disruption to shipping routes – most recently diversion around the Cape of Good Hope to avoid the Red Sea can cause last-minute vessel rerouting and Unexpected delays to vessel arrivals.

In our changing world, it is impossible to further pre-empt what may cause delays which are beyond the control of the Importer.

We would further comment that if, as the TRA state, 'in the vast majority of quota allocations' utilisation rates have been 'considerably under 100%' then why is there any necessity to take away the option to carry over unutilised balances to the following quarter? It changes nothing if they are not used anyway, but takes away the flexibility in the system which allows for delayed shipments or rollings.

Category 4

We note that there are two commodity codes currently included in Category 4 – 7210610020 (Aluzinc) and 7210690080 which are not produced in the UK.

During 2024, 24,698 mt was imported under these headings from S Korea and 4,284 mt from Vietnam. Both of these countries utilise the residual quota. In view of the fact that these goods are not produced in the UK and have to be imported, we would request that consideration is given to increase the Country Cap on Category 4 to 50% and again for reasons we have previously mentioned we must insist that the carry over of unutilised TRQs remains in place.

Category 7

The TRA's proposal to put a country specific cap of 40% on the residual quota is really not workable.

In 2024, 41,351mt of hot rolled plate was imported from South Korea.

Out of the 41,351 mt that was imported from Korea, 8171 of was under commodity codes 72085191 and 7208 5291, Hot rolled plate in excess of 2050mm which is not produced in this country.

The quality of hot rolled plate that comes in from South Korea is first class and they reliability of supply and a wide range of sizes.

Smaller amounts were imported of 1,118 mt from Indonesia,1405 mt from Japan and 998 from Taiwan. South Korea is not crowding out other origins it is merely helping to fill the huge gap which has been left by the lack of imports from Ukraine – 179,000 between 2017 and 2021.

By capping South Korea at 40% of the residual quota restricts imports to about 10,400 per quarter. We would anticipate that the rest of the residual quota will be completely unutilised and therefore wasted.

We again request that the current TRQs remain unchanged with no cap.

Category 13

When Analysing the origin of Reinforcing bar Imports, we have found the below figures representing significant imports

Portugal 136,968 mt

France 26,097 mt

Spain 22,450 mt

Turkey 94,453 mt

Algeria 82,296 mt

Egypt 12,977 mt

As you can see, there is a limited range of sources of supply for reinforcing bar and the preference is to ship from nearby sources which results in shorter lead times and reduces price risk. Only two countries are using the residual quota, Algeria and Egypt.

Substantial tonnage was imported from Algeria as the lead times are short as is the sailing time. The product is also CARES approved for product quality and sustainability as is required by major construction projects.

A proposed country cap of 40% on the residual quota, we would estimate, would result in wasted TRQ of 5000 mt per quarter. For example, Algeria may utilise 9800 per quarter, Egypt may utilise 9800 per quarter which leaves 5000 approximately which could only potentially be sourced from the Far East but is an unshippable quantity.

The result would mean that out of a potential 98,000mt residual quota capacity, only 78000mt is likely to be utilised.

Imports from Turkey were strong in 2024 but in 2023 were only 15,260mt as the desire to supply was elsewhere.

This is normally a seasonal product for construction which commences in the Spring so again, the carry over of unutilised TRQs is essential.

We therefore recommend no cap.

Category 1A

We would advocate a capped global quota of 40% for Category 1A, consistent with the approach taken in Category 1B. The residual quota is actively used by India and now will also be used by Vietnam.

In 2024 47,519 mt of hot rolled coil was imported from Vietnam which at the time was exempt from safeguarding.

The residual quota in 2024 was used as follows

India 182,592 mt

Japan 4,878 mt

South Korea 15,325 mt

Total 246,795 mt

The residual quota for category 1A is only 96,386 mt which is simply not sufficient considering potential imports from Vietnam and totally unfair when category 1B has a global quota with a 40% cap.

Why should TSUK downstream have the flexibility to import under a global quota with a 40% country cap when independent service centres who are operating in the same way are severely restricted?

ISTA maintains that the current safeguard mechanisms must evolve to reflect the realities of the UK steel market and its consumers. Domestic capacity, while important, does not negate the need for a fair, transparent, and adaptable trade environment. The requested adjustments—including quota flexibility, recognition of product diversity, and acknowledgement of evolving demand are essential for a healthy and competitive market that supports both domestic producers and downstream users.

Implementation date for whatever changes are finally agreed.

Whilst we would prefer 1/1/2026, we can see the pressure that the Government is under and therefore can live with 1/10/2025 but absolutely no earlier. As already discussed, vessels are already on their way and contracts have to be fulfilled – any earlier implementation will simply cause huge expense.

We trust you will find our comments to be fair and reasonable.

Yours faithfully

Simone Draper

Director