

## NOTICE OF INITIATION

### Safeguard measure on certain steel products

#### Initiation of a Suspension Review – Category 1 steel – HRFC

#### Case No. SS0051

The Trade Remedies Authority (TRA) provides notice of initiation of a suspension review regarding a definitive safeguarding remedy on category 1 steel products, further to regulations 39 and 40 of the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019 (as amended)<sup>1</sup> (the Regulations).

The review will consider whether it is appropriate to suspend the safeguarding remedy on Category 1 steel products, following the measure imposed as a result of the reconsideration of the transition review TF0006 from 1 July 2022, the SM0016 Tariff-Rate Quota (TRQ) from 1 July 2022, the SM0019 TRQ review from 1 July 2022 and TQ0030 TRQ review from 30 June 2023. Details of the measure imposed are set out in:

- [Trade Remedies Notice 2022/01: Safeguard Measure: Tariff-Rate Quota on steels goods](#); and
- [Trade Remedies Notice 2023/10: Safeguard Measure: Tariff-Rate Quota on steel goods](#).

The current safeguard measure is due to expire on 30 June 2024.

The date of initiation of the suspension review is **9 February 2024**.

#### DESCRIPTION OF THE GOODS SUBJECT TO REVIEW

The goods subject to review are: Category 1 steel - non-alloy and other alloy hot rolled sheets and strips.

The goods subject to review are subject to the following tariff classifications:

72081000, 72082500, 72082600, 72082700, 72083600, 72083700, 72083800, 72083900, 72084000, 72085210, 72085299, 72085310, 72085390, 72085400, 72111300, 72111400, 72111900, 72126000, 72251910, 72253010, 72253030, 72253090, 72254015, 72254090, 72261910, 72269120, 72269191, 72269199.

#### APPLICATION FOR SUSPENSION

The TRA received applications from a UK producer, TATA Steel UK (TSUK), and a UK importer, Kromat, via the Trade Remedies Service (TRS).

The applications indicated that there is likely to be a change in market conditions of a temporary nature, which is likely to have an effect on UK producers. However, as a

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<sup>1</sup> [Trade Remedies \(Increase in Imports Causing Serious Injury to UK Producers\) \(EU Exit\) Regulations 2019 \(as amended\)](#)

consequence of the change in market conditions, the serious injury caused to UK producers is unlikely to recur if the application of a definitive safeguarding remedy were to be suspended.

Non-confidential versions of the applications are available on the public file<sup>2</sup>.

## **LEGAL FRAMEWORK**

This application for the suspension of a definitive safeguarding remedy has been made in accordance with regulation 40(1) of the Regulations. Under Regulation 40(2) of the Regulations, a suspension application must include as far as possible information regarding:

- the change in the market conditions;
- the temporary nature of that change; and
- the effect of the change on UK producers.

The TRA may make a recommendation to the Secretary of State for Business and Trade (Secretary of State) that the application of a definitive safeguarding remedy be suspended for a specified period pursuant to regulation 39 of the Regulations. The TRA may make a suspension recommendation where:

- market conditions have changed temporarily;
- as a consequence of the change in market conditions, the serious injury caused to UK producers is unlikely to recur if the application of a definitive safeguarding remedy were to be suspended;
- the TRA is satisfied that a suspension is appropriate; and
- UK producers has been given the opportunity to comment on the proposed suspension.

## **INTENDED RECOMMENDATION**

The TRA has reviewed the information provided in the suspension applications, and made an assessment on the evidence available both in the application and more widely. There is sufficient evidence that the following conditions exist:

- there is a change in market conditions due to the sole UK producer reducing domestic production and supply of Category 1 steel products, while it undertakes a technical reconfiguration of its business;
- the nature of that change is temporary, as the UK producer is undertaking a technical reconfiguration, and the TRA is initiating a TRQ Review to consider medium to longer term solutions;
- that there is an effect on the UK industry, as the increased imports of the goods subject to review, beyond the tariff rate quota (TRQ) volumes, is likely to increase the domestic costs of HRFC by 25%; and
- serious injury is unlikely to recur to UK producers, as there will be no UK producers of the goods subject to review during this technical reconfiguration.

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<sup>2</sup> [TRA Investigations - Trade Remedies Service - GOV.UK \(trade-remedies.service.gov.uk\)](https://www.gov.uk/trade-remedies.service.gov.uk)

## PROPOSED SUSPENSION

Based on the applications received from TSUK and Kromat, as well as other evidence available on the current state of the HRFC market, it is the TRA's preliminary view that the conditions in Regulation 39(4) apply and that it would be appropriate to make a recommendation to the Secretary of State for suspending the safeguard measure of Category 1 Goods exist.

We understand that TSUK have initiated consultations with its Trade Unions about the impact of job losses as a consequence of the proposed technical reconfiguration of its business. Subject to any further changes or comments from UK producers, the TRA intend to recommend to the Secretary of State for Business and Trade that the application of a definitive safeguarding remedy on category 1 steel products is suspended for a period not exceeding nine months from the date of publication of the public notice giving effect to the suspension, in accordance with regulation 41(1) of the Regulations.

## HOW TO TAKE PART IN THE SUSPENSION REVIEW

As part of the review, UK producers will have the opportunity to comment on the proposed suspension. We may also consider comments from other interested parties.

Anyone interested in taking part in the review can register their interest and provide comments through the [Trade Remedies Service](#) by **25 February 2024**. Please contact [SS0051@traderemedies.gov.uk](mailto:SS0051@traderemedies.gov.uk) if you have any difficulties using this service.

Anyone requesting that information be treated as confidential should provide a non-confidential summary of that information or a statement of reasons why it cannot be summarised. Please contact [SS0051@traderemedies.gov.uk](mailto:SS0051@traderemedies.gov.uk) if you cannot provide a non-confidential version.

Our [Suspension Investigations Guidance](#) provides further information regarding the review process.

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9 February 2024