



Registration Form

Suspension Review – Category 1 steel products

Case No. SS0051

Period of Investigation:	<input type="text" value="N/A"/>
Deadline for response:	<input type="text" value="25 February 2024"/>
Case Team Contact:	<input type="text" value="SS0051@traderemedies.gov.uk"/>
Completed on behalf of:	<input type="text" value="Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (Erdemir)
and
İskenderun Demir ve Çelik A.Ş. (Isdemir)
and
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.
(Ersem)"/>
Party type (select):	<input type="checkbox"/> UK producer of Category 1 steel products <input checked="" type="checkbox"/> Other

When you have completed this form, indicate the **confidentiality** status of this document by placing an X in the relevant box below and in the header. We strongly recommend this questionnaire to be completed on the computer, so this step is easy to complete:

- Confidential
 Non-Confidential – may be made publicly available



Parties providing confidential information should also provide a non-confidential summary of that information or a statement of reasons why it cannot be summarised. Both copies must be returned to the TRA using the Trade Remedies Service (www.trade-remedies.service.gov.uk) by **25 February 2024**.



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Suspension review

The review will consider:

- Whether the market conditions have changed temporarily;
- Whether serious injury caused to the UK producers is unlikely to recur if the application of the safeguarding remedy were to be suspended;
- Whether the suspension is appropriate; and
- The appropriate length of any suspension.

Relevant measure

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) review 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 steels goods](#).

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

For more information about this case, you may refer to the Notice of Initiation published at: www.trade-remedies.service.gov.uk/public/cases.



Instructions

I – Who should complete this form

You should complete this form if you wish to comment on the proposed suspension.

II – Note about confidentiality

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 ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header.

It is your responsibility to ensure that the non-confidential version does not contain any confidential information, which includes personal contact information, names and signatures.

All information provided to the Trade Remedies Authority (TRA) in confidence will be treated accordingly, only used for this review, and will be stored in protected systems.

The non-confidential version of your submission may be placed on the public file, which is available on www.trade-remedies.service.gov.uk/public/cases.



Section A – Your organisation’s interest in the review

To register your organisation’s interest in this suspension review, please complete the text boxes below.

A1. Please describe your interest in this suspension review:

Erdemir and its subsidiaries (İsdemir and Ersem) are producers and/or exporters of steel. We may take part in the UK market, yet within fair trade principles only. Despite the fact that Erdemir and its subsidiaries are predominantly domestic-sales-oriented companies, we believe in global free trade, which shall be in the interest of all parties.

Section B – Comments on the proposed suspension

The TRA is considering suspending the application of the safeguarding remedy on Category 1 steel products.

During this suspension review, the TRA will consider whether market conditions have temporarily changed. We will assess whether, as a consequence of the change in market conditions, serious injury to UK producers would be likely to recur if the measure were suspended.

Before making its recommendation, the TRA must give UK producers the opportunity to comment on the proposed suspension.

Therefore, we invite comment and evidence on the following considerations:

B1. Change in market conditions

Market conditions have changed because the only known UK producer of Category 1 steel products, TATA Steel UK, is undertaking a technical reconfiguration of its business. During this reconfiguration, the applicant highlighted that domestic production and supply of the goods subject to review will be limited and that it intends to import the goods subject to review to maintain downstream operations. The reduction in the UK production of Category 1 steel products has resulted in a change in market conditions.

Please provide any comments on the described change in market conditions that you consider relevant for the TRA to take into consideration during the suspension review:



Since Tata Steel has seized its blast furnace operations, there is a need for either slab or hot rolled flat steel in coils. Taking the sanctions on Russia and the ongoing war in Ukraine into account, slab may be difficult to supply and costly when supplied. Given the fact that Tata is not an efficient producer, import of finished product (hot rolled flat steel in coils) will be more cost-conscious, in comparison to semi-finished flat steel (slab) import. Tata Steel may continue to produce hot rolled flat steel, using the semi-finished flat steel called the slab. Additionally, Tata Steel may also use hot-rolled flat steel in coils as an input material to feed its downstream lines in order to produce further finished goods such as cold-rolled flat steel, metallic coated (galvanized) flat steel or packaging steel (tin mill products).

We would like to underline the fact that UK Steel producers have structural difficulties; in other words, the essence of UK domestic industry's problem is not foreign steel imports, but it is domestic producers' incompatibility to implement modern steelmaking models to reduce costs, incapability to adopt efficient business models, and therefore the inability to compete.

B2. Temporary nature of the change

This change is of a temporary nature because the UK producer is undergoing a technical reconfiguration in order to complete its decarbonisation process, and has stated that it intends to resume production of Category 1 steel products once completed. Additionally, alongside this suspension review, the TRA is initiating a TRQ review to consider medium-longer term solutions and consider this proposed suspension to be a stop-gap.

Please provide any comments on the described temporary nature of this change in market conditions that you consider relevant for the TRA to take into consideration during the suspension review:

With respect to the decarbonisation of UK Steel production, transformation processes may take longer than expectations. Implementation plans may change during the course, which may contribute to delays in the intended schedules. Therefore, what UK needs is a balanced supply security, but not a trade remedy which has failed to provide any genuine remedy.

Within this framework and in order to maintain a supply side security, UK needs reliable trade partners which have had embraced the fair-trade principle. In this regard, Turkish steel producers which operate under the fundamental motivation of profit making (no quantitative goals whatsoever) are ideal and reliable trade partners for the UK market.



B3. Effect on the UK industry as a result of the temporary change in market conditions

The UK industry is likely to see an increase in the cost of Category 1 steel products, as a result of the change in market conditions. Given the current domestic consumption of these goods, it is likely the current TRQ residual quota will be fully utilised, resulting in the application of the 25% safeguarding remedy on all additional imports of the goods subject to review.

Please provide any comments on the described effect on UK industry as a result of the temporary change in market conditions that you consider relevant for the TRA to take into consideration during the suspension review:

We agree with the opinion that UK industry is likely to see an increase in the cost of Category 1 steel products. Nonetheless, the UK consumption of Category 1 steel products is likely to increase too. This prediction relies on more than one indication; one is the expected increase in the consumption of Tata Steel and another is the general trend of the UK steel consuming industries.

UK consumers need hot rolled flat steel; accordingly, they must purchase withstanding increased prices. A safeguard measure of %25 per cent will nor serve in the best interest of UK consumers, yet it will not remedy UK steel producers either.

B4. Serious Injury to UK Producers

Serious injury to UK producers may be unlikely to recur if the application of the safeguarding remedy were to be suspended. The only known UK producer of these products has requested the suspension, and while we are aware of other facilities in the UK that are able to produce the goods subject to review, we have seen no evidence that this is likely to occur in the proposed suspension period.

Please provide any comments that you consider relevant for the TRA to take into consideration to assess whether serious injury would be likely to recur, if the safeguarding remedy on Category 1 steel products were to be suspended as a result of the temporary changes to market conditions described above:

UK steelmaking industry has substantial structural complications. Premises are old. There are budgetary requirements to keep the works operational. It is a more viable option to dismantle the premises and re-erect new ones, which comes to the notion of supply securities. A feasible solution to UK steel industry would be to replace old steelmaking technologies and to maintain a reasonable price index for imported steel. There seems to be no other option in the long run, sooner the transformation begins, better it serves to UK economic interests.



Section C – Additional information

C1. Please use the box to provide information about anything else you consider relevant to this suspension review:

During the ordinary course of trade, neither Erdemir nor any of its subsidiaries prefers to sell slab. However, market conditions may sometimes provide substantial advantages to slab sales. Only if such conditions arise, we may consider marketing and sales of semi-finished flat steel (slab).

We would like to underline that our ordinary course of trade and market orientation are Turkish domestic consumers that are predominantly our traditional (regularly purchasing) customers. We do not have an export-oriented marketing model. We do not produce to inventory; our production plans rely on quite specific orders. We may consider export sales under one condition only, that is if the export prices are apparently higher than the domestic market and if the profit per export sale is profoundly higher than the domestic sale. Within such context, we had UK customers which proposed lucrative price offers.

Lastly, for our opinions and forecasts regarding the UK steel market, please refer to the Appendix_UK-Market-Outlook.