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8th of April 2025

REF: Application by UK Steel for review of TRQ Safeguards

CASE No: **TQ0066**

For the attention of the TRA Investigations Team

Dear Sir / Madame,

Our trade association, BIRFA (British Independent Rebar Fabricators Association), wishes to participate in case TQ0066 concerning category 13 products for Rebar / Reinforcement Steel.

BIRFA represents a significant number of reinforcement fabricators across the UK, utilising both domestic and imported rebar products. We are actively involved in various recognised committees, including Cares (independent reinforcement steel authority) and several BSi committees that set rebar standards in the UK.

The reinforcing fabricators in the UK collectively employ over 25,000 direct and indirect workers. The sole Rebar mill in the UK provides employment for approximately 750 direct and several hundred indirect employees.

The application by UK Steel could profoundly impact these employment figures and indirectly affect the UK economy if the proposed amendments to the current quota levels are implemented. We urge the TRA investigation team to carefully consider the points below regarding Rebar product group 13. The proposed changes appear to benefit a few at the expense of many and could ultimately harm the UK economy rather than provide a positive impact.

While our members and fabricators generally support the only Rebar mill in the UK, it is important to note that this mill produces only about 50% of the UK's Rebar demand. They also have a large number of downstream fabricators that compete directly with Rebar importers. Please take this into account in your decision-making process.

Please consider the following points.

1. **Reduction of Liberalisation of the Quota:** The reduction in liberalisation for the upcoming quota period (1st of July 2025 to the 30th of June 2026) does seem to contradict the WTO's principles of liberalisation. The rationale behind this reduction might be to protect domestic industries from sudden surges in imports, but it could indeed be seen as a step back from the spirit of liberalisation and legally bound international agreements.
2. **Carry-over Quota from each quarter:** The ability to carry over quotas is essential for managing unexpected delays in shipments, such as those caused by weather or port congestion. This flexibility is crucial for businesses to avoid significant disruptions, ensuring they can effectively meet demand and manage inventory. Without the option to carry over quotas, companies might face impractically small shipment sizes, rendering the quotas unusable and increasing the risk of inefficiencies in the supply chain.

3. **Risks for Fabricators and Traders:** Lowering quotas could force fabricators and traders to overstock, resulting in financial strain due to low market activity. This reduction in quotas could also limit the number of countries from which materials can be imported, increasing the risk of penalties and tariffs. Notably, during the investigation period leading up to July 1, 2025, we have already observed the withdrawal of offers for rebar products from other countries. This has led to significant price increases and provides a glimpse of the potential turbulence if the proposed quota changes are implemented.
4. **Certification Constraints:** The need for CARES certification and sustainable and low-carbon steel limits the number of suppliers UK rebar users can work with. BIRFA members have engaged with various suppliers from developing countries to encourage them to gain Sustainable accreditation. Significant investments have already been made by some of the mills from developing countries to comply with government PPN 11/16 guidelines but reducing the quota too low would mean the investments made by these mills would be lost further limiting sustainable imports into the UK market.
5. **Limited Import Choices:** Lowering quotas might reduce import choices to primarily EU and Turkish suppliers, potentially leading to monopolistic behaviour. Ultimately when these various suppliers understand that limitations have been put in place they will certainly increase import prices beyond normal levels as we will have no other supply sources to use if these proposals are carried out.
6. **Algerian / Other Countries Quota:** The war in Ukraine and subsequent sanctions have significantly impacted the steel industry, particularly in terms of rebar supply. The loss of rebar quotas from Ukraine, Belarus, and Russia has been substantial, with Belarus accounting for 86,000 tonnes per annum and Russia for 25,000 tonnes per annum. These lost quotas have been replaced by imports from Algeria and other countries; however, the overall import levels have not increased, partly due to the requirement to source rebar from CARES-certified mills. Further restrictions on these imports, while Belarus, Russia, and Ukraine are offline, could severely impact the industry, making it difficult to maintain supply levels.
7. **Developing Countries Status:** The OECD provides a list of countries classified as developing, which is used for various purposes, including trade and aid. Determining which countries fall into this category involves numerous factors beyond industrial capabilities, such as poverty levels and economic stability. Relying solely on steelmaking as a criterion would be unfair to countries with significant poverty despite having advanced industrial sectors. Therefore, maintaining the classification at the agreed 3% of total import volumes for product group 13 into the UK is the fairest approach.

We appreciate your time and consideration of the points raised above. Should you require further discussion, please do not hesitate to contact me.

Yours Sincerely

Paul Cardwell
Director
BIRFA Ltd