

**Comments of Ukrainian side concerning extending the suspension regarding anti-dumping duties on certain hot rolled flat products of iron, non-alloy steel or other alloy steel from Ukraine**

On March 8, 2023, the Trade Remedies Authority invited interested parties to provide comments on extending the suspension regarding anti-dumping duties on certain hot rolled flat products of iron, non-alloy steel or other alloy steel from Ukraine. Ukraine would like to take this opportunity to address with the following.

Since 2014 Ukrainian economy has been affected by the long-term armed aggression of Russia on the certain areas of the Donetsk and Luhansk regions as well as occupation of Crimea. Moreover, starting from February 24, 2022, after Russia committed a blatant act of aggression against Ukraine through its brutal and unprovoked full-scale military invasion, Ukrainian economy has faced the unprecedented times and challenges in order to survive in the circumstances of war.

In the current conditions of the functioning of Ukrainian metallurgical industries, which haven't changed in any better way comparing with those set out in the original investigation (SR0025), it is evident that the domestic industry of the United Kingdom would not face material injury or threat of material injury by the reason of imports of products concerned from Ukraine and there are no evidence or other grounds not to recommend the potential extension of suspension regarding anti-dumping duties on certain hot rolled flat products of iron, non-alloy steel or other alloy steel from Ukraine as appropriate. Ukrainian side hopes that its comments and position will be considered.

The important issue that we would like to address and that is crucial for objective conclusions within this case, is that, despite Russian war against Ukraine, Ukrainian producers continue to operate, but with significant complications and interruptions due to supplies and logistical problems, as well as finding itself under extraordinary conditions, including regular shelling and damaging by the Russian

armed forces. Due to Russian invasion about 40% of Ukrainian metallurgical industry was lost, Ukraine has temporarily lost control over the certain steel plants and enterprises of related industries, some of them were completely destroyed and cannot be restored, some remained in the temporary occupied territories.

In view of the military aggression of Russia against Ukraine, the Ukrainian steel industry does not pose any threat to the market and industry of the United Kingdom because of the dramatically reduced production capacities, destroyed logistics and interrupted supply chains within Ukraine. According to the Worldsteel data, in January - December 2022 Ukraine produced 6.26 Mt or 29.31 % as compared to January - December 2021 and occupied 24th position among 64 world steel producers<sup>1</sup>.

Some of Ukrainian producers of steel products and related industries are under constant fire, which affected the capacities, production, cost of production and export potential. Opportunities for exports sales are significantly inhibited since both cost and times of transportation have increased. The employees are hiding in shelters within their daily operating activity and the production cycle, the operating activity is interrupted by the needs to save people's lives due to severe attacks of Russian troops. Communication networks in the area are often damaged and majority of administrative staff may be executing their duties remotely that makes it very difficult, if not impossible, for them to cooperate.

Moreover, since October, 2022, the situation became more critical: Russia has targeted Ukraine's energy infrastructure, a great part of Ukraine's energy facilities were damaged or destroyed by Russia's deliberate attacks.

Two out of three main steel mills producing the product concerned have been either destroyed or remain no longer under the Ukrainian government control. The remaining steel producer operates only at a fraction of the capacity that existed prior

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<sup>1</sup> <https://www.ukrmetprom.org/ukraine-in-the-world-ferrous-production-in-jan-dec-2022/>.

to the onset of the current war and this is expected for the foreseeable future. Indeed, the unprecedented damage caused to the domestic infrastructure of Ukraine as a result of war will require significant restoration and rebuilding during the post-war recovery, and the product concerned will play an essential role in it. Consequently, while the conditions haven't changed in any better way comparing with those set out in the original investigation (SR0025), the perspectives that Ukraine would increase its production and export to such an amount that it would be able to cause or threaten to cause material injury to steel industry of the United Kingdom is impossible in the foreseeable future. Therefore, we urge the United Kingdom to take into account nowadays reality of russian war against Ukraine and to extend the suspension regarding anti-dumping duties on certain hot rolled flat products of iron, non-alloy steel or other alloy steel from Ukraine on maximum appropriate length of potential suspension period.