

4th Floor Longbow House
14-20 Chiswell Street
London
EC1Y 4TW
United Kingdom

Tel +44 20 7775 3600

Fax +44 20 7775 3679

Email groupenquiries@stemcor.com

www.stemcor.com

Dear Trade Remedies Authority,

Stemcor would like to formally register its interest in the TRQ Review TQ0066 and submit the following comments for consideration.

We strongly oppose any alterations that would reduce or restrict the current quota system, as such changes would disproportionately and unfairly impact independent UK steel businesses—particularly those not affiliated with mill-owned producers. Major domestic producers such as TSUK, British Steel, and Celsa operate extensive downstream networks (including stockholding, processing, and fabrication facilities) and benefit from protectionist quota measures. Independent stockholders, service centres, and processors, by contrast, rely on competitive and flexible access to imports and are already constrained by the current TRQ structure.

TSUK and British Steel are now re-rollers of imported semis and should not continue to enjoy the protections afforded to integrated producers. Moreover, they do not produce critical products in demand, such as 2m-wide hot rolled coil or specific thicknesses of galvanized coil. The same applies to reversing mill plate, where domestic production is limited to Spartan's narrower range (up to 2000mm), while customers require wider formats only available through imports.

Celsa UK is the sole domestic producer of rebar and rebar in coil, but also operates a significant downstream fabricating business. This creates an unbalanced playing field for independent processors, who must have access to sufficient and flexible quotas to compete. With the recent acquisition of Celsa by Sev.en GI, the future of UK rebar production remains uncertain. Restricting quotas now would amplify this risk, disproportionately harming independent businesses.

Importantly, the UK Government's ambitions to scale up housebuilding, defence spending, and major infrastructure projects will significantly increase domestic steel demand. The UK Steel submission cites declining demand, but this fails to account for these forward-looking policies and contradicts WTO rules, which only allow for quota increments, not reductions.

Additionally, it is no longer appropriate to preserve quotas based on outdated "traditional trade flows" from 2015–2017. The global trading environment has shifted significantly, particularly in light of U.S.-led tariffs and the ripple effects on international steel trade. With such volatility, supply chains must remain agile. Countries competitive today may not be tomorrow, and overly rigid quotas—such as the small "Other Countries" allocation for rebar (Category 13)—will limit the UK's ability to adapt to evolving trade patterns.

Quotas in Categories 4, 7, and 13 are especially sensitive. The UK has only one reroller of Cat 4, one for Cat 7, and one rebar producer (Cat 13/16), each with vertically integrated downstream operations. There is no justification for introducing country caps or other constraints that would restrict independent access to imports, especially when there is no evidence of dominance by any particular origin or harm to competition.

We also urge the TRA to maintain the ability to carry over unused quotas between quarters. This mechanism is vital to ensure supply continuity, accommodate project delays, and reduce the risk of market disruption.

Finally, we caution against arbitrary determinations of what constitutes a Developing Country. WTO rules already provide clear and proven mechanisms for adjusting developing country status based on import volumes, making further intervention unnecessary and outside the TRA's remit.

In summary, now is not the time to undermine the existing quota framework. Quotas have functioned effectively, particularly with the redistribution of Russian and Belarusian volumes. We must preserve—and where necessary, enhance—quota flexibility to ensure a fair, competitive, and resilient UK steel market that supports the entire supply chain, not just a small number of protected producers.



Oliver Collyear
For and on behalf of Stemcor