

Submission of Views
Transition Review of Steel Safeguard Measures

Submitted to:
Trade Remedies Authority (TRA), United Kingdom
via Trade Remedies Service Submission Portal

Submitted by:
China Steel Corporation

Date:
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I. INTRODUCTION AND STATEMENT OF INTEREST

China Steel Corporation (“the Company”), a premier steel manufacturer based in Taiwan, welcomes the opportunity to provide comments on the transition review of the UK steel safeguard measures for Category 4, 7, and 12A products.

As a longstanding and reliable supplier to the UK’s automotive and construction sectors, we appreciate the TRA’s commitment to ensuring that trade measures remain necessary and proportionate. The Company remains dedicated to supporting the UK market with high-quality steel products and looks forward to a fair, transparent, and evidence-based review process that balances the interests of all stakeholders.

II. EXECUTIVE SUMMARY

This submission focuses on the legal necessity of terminating or, at a minimum, significantly liberalizing the current steel safeguard measures as they enter their eighth year. The Company emphasizes that any further continuation or administration of quotas must strictly adhere to the mandatory requirements of the WTO Agreement on Safeguards, ensuring that temporary relief does not evolve into a permanent trade barrier.

III. OBSERVATIONS ON COMPLIANCE WITH THE WTO AGREEMENT ON SAFEGUARDS

1. The Temporary Nature of Safeguards and the 8-Year Limit

Pursuant to Article 7.3 of the WTO Agreement on Safeguards, the total period of application of a safeguard measure including the period of application of any provisional measure, the period of initial application and any extension thereof, shall not exceed



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eight years. As the UK steel safeguard reaches this significant milestone, the Company requests the TRA to consider that the primary objective of providing temporary relief to the domestic industry has been fulfilled. Consistent with the principle that safeguard measures are exceptional instruments intended to facilitate market competition rather than replace it, we advocate for the termination of the measures upon their scheduled expiry to restore normal competitive conditions.

2. Mandatory Evidence of Domestic Structural Adjustment

Under Article 7.2 of the WTO Agreement on Safeguards, a safeguard measure may only be extended if there is continued evidence that the domestic industry is undergoing structural adjustment. This requirement ensures that protectionist measures serve as a bridge to competitiveness rather than a permanent subsidy for inefficiency. We request the TRA to conduct an evaluation of the UK industry's modernization and restructuring efforts over the past eight years. In the absence of clear evidence demonstrating such adjustments, maintaining restrictive quotas would impose an undue burden on the global supply chain and UK downstream manufacturers.

3. Legal Obligation of Progressive Liberalization

Furthermore, Article 7.4 of the WTO Agreement on Safeguards mandates that measures exceeding one year must be progressively liberalized at regular intervals to facilitate the restoration of normal market conditions. The Company observes with concern that the current administration of the safeguard measure has, in practice, become increasingly restrictive through a combination of cumulative constraints:

- **Prohibition of Quota Rollover:** The "no rollover" policy prevents the carry-over of unused quotas between periods. This lack of flexibility leads to extreme market volatility and supply chain inefficiencies, as it fails to account for inevitable shipping and logistical fluctuations.
- **Restricted Access to Residual Quotas in Q4:** The removal of the right for country-specific quota holders to access residual quotas in the fourth quarter eliminates a vital "safety valve" for the market, leaving both exporters and UK downstream industries vulnerable to supply disruptions at the end of the thermal year.

The Company submits that these compounding restrictions represent a contraction of market access rather than the liberalization required by WTO law. To ensure compliance with the obligation of progressive liberalization, it is imperative that the TRA significantly liberalizes the measure during this review by increasing total quota



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volumes, reinstating rollover flexibility, and restoring the right for country-specific quota holders to access residual quotas during the fourth quarter (Q4).

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IV. ECONOMIC INTEREST AND SUPPLY CHAIN RESILIENCE

The UK manufacturing industry requires a predictable and cost-effective supply of steel to maintain its global competitiveness. Overly restrictive quotas create artificial shortages and inflationary pressure. It is in the overall economic interest of the UK to ensure that safeguard measures do not impede the supply of essential raw materials that are critical for UK-based manufacturers' resilience.

V. CONCLUSION AND PROPOSED RELIEF

In view of the legal and economic considerations presented above, the Company respectfully requests the TRA to:

1. Terminate the safeguard measures upon the lapse of the maximum 8-year limit mandated by the WTO Safeguard Agreement.
2. In the alternative, should the measures be prolonged any further beyond the statutory limit, the current safeguard measures should be immediately liberalized in respect of the quota regime by:
 - Increasing the total quarterly quota volumes for the reviewed categories.
 - Restoring the right for country-specific quota holders to access residual quotas in Q4 to minimize market distortion.
 - Reinstating the mechanism for quota rollover between quarters.
 - Ensuring that the current review does not result in any further restrictive practices in administration of the quota regime.

Respectfully submitted,

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