

# VAN BAEL & BELLIS

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United Kingdom

25 January 2026

**NON-CONFIDENTIAL**

Dear Case Team,

**Our client:** Hoa Sen Group

**Subject:** TQ0077 – Tariff Rate Quota review concerning imports of aluzinc, aluminised flat steel, and quarto plate (Category 4 and 7) – Comments on initiation

## 1. INTRODUCTION

1. The present submission provides the comments of our client, Hoa Sen Group (**HSG**), concerning the initiation by the Trade Remedies Authority (**TRA**) of a Tariff Rate Quota (**TRQ**) review of imports of aluzinc, aluminised flat steel, and quarto plate (product categories 4 and 7). The TRA initiated the present review on 14 January 2026 pursuant to regulation 35B(5) of The Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019 (the **Regulations**).

2. HSG is an important exporting producer of a number of product categories which are subject to safeguard measures by the United Kingdom (**UK**). With respect to the goods covered by the present review, HSG produces galvalume steel products (classified under commodity code 7210 6100 20) for export to the UK. During the period of investigation (**POI**) for this review is (i.e. 1 October 2024 - 30 September 2025), **[CONFIDENTIAL – Confidential information on company's exports]**.

3. HSG wishes to express its support for the initiation of the present review, which results from substantiated evidence by domestic importers in the UK that there has been a change of circumstances which justify the removal of the commodity codes concerned from the scope of the measures. In particular, HSG submits that the TRA should, as a result of the present review, imports of galvalume steel products classified under commodity code 7210 6100 20 should be excluded from the scope of safeguard measures in the UK.

4. The following reasons support the exclusion of galvalume steel products classified under commodity code 7210 6100 20 from the scope of the measures:

- There appears to be no domestic production in the UK of galvalume steel products, and therefore, no like product nor serious injury or threat thereof;
- The exclusion of galvalume steel products would alleviate supply chain restrictions that disrupt regular trade flows of this product;
- The exclusion of galvalume steel products would enable HSG to further supply the UK market, which will likely see a surge of demand for these products;
- The exclusion of galvalume steel products meets the economic interest test under paragraph 23 of Schedule 5 to the Taxation (Cross-border Trade) Act 2018.

5. Each of these reasons are further elaborated below.

## 2. NO DOMESTIC PRODUCTION IN THE UNITED KINGDOM

6. HSG wishes to highlight the fact that the request from the International Steel Trade Association (*ISTA*) is founded on the apparent clear absence of any domestic production of, *inter alia*, galvalume steel products in the UK.

7. In particular, according to *ISTA*, the main UK producer of flat steel products, Tata Steel UK, does not manufacture these specialised coated steels such as galvalume steel products and has no announced capacity or plans to do so. Furthermore, no other UK-based manufacturer produces these materials under any brand or alloy variant. Indeed, *ISTA* highlighted in its request that neither aluzinc nor aluminised steel coil has been produced domestically in the UK in at least the last 20 years.

8. To the best of its knowledge, HSG is not aware of the existence of any domestic producers in the UK of galvalume steel products classified under commodity code 7210 6100 20.

9. It follows from the above that, in the absence of any UK producers of galvalume steel products, there are no 'like goods' nor 'UK producers' within the meaning of paragraphs 3 and 4 of Schedule 5 to the Taxation (Cross-border Trade) Act 2018. This necessarily means that, as a rule, there cannot be any 'serious injury' to UK producers justifying a safeguard measure into these products, within the meaning of paragraph 2 of Schedule 5 to the Taxation (Cross-border Trade) Act 2018. Moreover, in accordance with regulation 35B(5) of the Regulations, the TRA may determine that a TRQ should be revoked where there is sufficient evidence that UK producers have ceased production of those goods.

10. In the event that the review determines that, indeed, there are no UK producers of galvalume steel products, there is therefore a legal justification to exclude imports under commodity code 7210 6100 20 from the scope of the UK safeguard measures.

### 3. EXCLUSION OF GALVALUME STEEL PRODUCTS WOULD ALLEVIATE SUPPLY CHAIN RESTRICTIONS THAT DISRUPT REGULAR TRADE FLOWS OF THIS PRODUCT

11. HSG submits that galvalume steel products should be excluded from the scope of the current safeguard measure because their inclusion imposes unnecessary and disproportionate constraints on UK supply chains. These products constitute a specialised category of coated steel with distinct technical characteristics and end uses that are not readily substitutable with other coated flat products manufactured domestically. As a result, the measure restricts access to essential inputs without providing corresponding protection to UK producers, in view of the apparent absence thereof.

12. By contrast, the inclusion of galvalume steel products within the safeguard has materially disrupted established and regular trade flows. Importers and downstream users face quota limitations, shipment delays, and increased administrative burdens that create uncertainty and supply shortages. These constraints interfere with long-standing commercial relationships and procurement cycles, undermining the predictability that is essential for efficient sourcing and inventory planning.

13. Indeed, the TRA has initiated this review based on evidence from UK importers showing that the quota is being used up quickly and that trade flows have been disrupted. This clearly shows that the market is facing a supply shortage. For its part, HSG has observed that the TRQ applied on imports of under commodity code 7210 6100 20 into the UK has caused disruption and increased costs, mainly in the following ways:

- *First*, the current quota management mechanism, based on a *first come, first served* approach, creates very high uncertainty, given that shipments from Vietnam take about 60 to 65 days in transit. UK customers cannot plan inventory effectively because they cannot ensure that the quota will still be available when the goods arrive at the port after around two months at sea. This risk forces customers to cancel orders, delay deliveries, or switch to different sources of imports, even if the quality or the price may be less advantageous.
- *Second*, costs may increase when the TRQ is rapidly exhausted, as some shipments may risk being subject to the 25% safeguard duty over the quota, or customers may have to switch to a more expensive alternative source of supply. These additional costs are not market-driven, but merely the result of the TRQ in place.
- *Third*, additional management costs for UK customers arise because quota levels must be monitored frequently, purchase plans must be adjusted, and prices or delivery terms must be renegotiated when costs fluctuate.

14. These increases in costs resulting from the TRQ are ultimately born by downstream users of galvalume steel products. Downstream sectors (including construction, roofing, cladding, etc.) depend on galvalume's unique corrosion resistance, durability, and performance characteristics. Restricted access raises input costs, delays projects, and generally harms a broad range of manufacturers and consumers that rely on this product as a critical input.

15. For these reasons, excluding galvalume steel products from the safeguard would alleviate supply chain bottlenecks, restore regular trade flows, and ensure that the measure remains targeted and proportionate. Such an exclusion would maintain alignment with the purpose of a safeguard measure, by protecting only those products where genuine domestic production and injury exist, while preventing unintended adverse effects on downstream UK industries.

16. In the view of HSG, this would help UK customers maintain more stable supply channels, reduce the risk of supply chain disruption and unexpected costs, and also give HSG a clearer commercial basis to supply consistently in line with customers' actual demand.

#### **4. THE EXCLUSION OF GALVALUME STEEL PRODUCTS WOULD ENABLE HOA SEN GROUP TO FURTHER SUPPLY THE UNITED KINGDOM MARKET, WHICH WILL LIKELY SEE A SURGE OF DEMAND FOR THESE PRODUCTS**

17. The exclusion of galvalume steel products from the safeguard measure would enable HSG to supply the UK market more effectively at a time when demand for these products is expected to increase. Galvalume steel is a specialised coated steel with distinct technical properties and applications, and reliable access to supply is critical to ensuring that downstream sectors can meet project requirements and delivery timelines.

18. As there is no meaningful domestic production of galvalume steel in the UK, imports serve to complement, rather than compete with, the UK industry. In these circumstances, additional imports would not displace any domestic production or undermine the safeguard's intended protective function.

19. This notwithstanding, HSG does not foresee a sudden increase or disruption in export volumes as a result of an exclusion of galvalume steel products from the scope of the TRQ. Instead, it expects a gradual recovery in export volumes at a moderate and sustainable level, driven closely by specific technical demand. If the TRQ is removed for products under commodity code 7210 6100 20, HSG expects that exports to the UK may increase step by step, based on customers' actual demand and orders.

20. HSG would like to emphasize that the exclusion is not expected to lead to a sudden increase in shipments into the UK. This is because:

(i) **[CONFIDENTIAL – Confidential information on company's sales and exports].**

(ii) HSG's production serves both the domestic market and many other export markets, so volume allocation is made based on actual demand and normal commercial principles, rather than an objective to concentrate shipments into the UK alone.

21. It can be reasonably expected that demand for galvalume steel in the UK will continue to grow, driven by construction, infrastructure, renewable energy, and industrial applications that require long-life, high-performance materials. Without adequate import availability, UK customers may face the risk of supply shortages, project delays, and increased costs, particularly where galvalume's performance characteristics cannot be substituted by alternative products.

22. Therefore, excluding galvalume steel products would therefore allow HSG to increase supply to the UK market in line with demand, strengthening supply chain resilience while causing no injury to domestic producers. Such an approach would ensure that the safeguard remains proportionate and targeted, while supporting downstream industries and broader economic activity in the UK.

## **5. EXCLUSION OF GALVALUME STEEL PRODUCTS MEETS THE ECONOMIC INTEREST TEST**

23. HSG submits that the exclusion of galvalume steel products meets the economic interest test under paragraph 23 of Schedule 5 to the Taxation (Cross-border Trade) Act 2018.

24. In this regard, according to paragraph 23(2) and (3) of Schedule 5 to the Taxation (Cross-border Trade) Act 2018, the economic interest test is met in relation to the application of a safeguarding remedy if the application of the remedy is in the economic interest of the UK. Moreover, when considering whether or not the application of a safeguarding remedy is in the economic interest of the UK, the TRA or the Secretary of State must take account of the following so far as relevant:

- (i) the serious injury caused by the importation of the goods in increased quantities to UK producers of those goods and the benefits to those UK producers in removing that injury,
- (ii) the economic significance of affected industries and consumers in the UK,
- (iii) the likely impact on affected industries and consumers in the UK,
- (iv) the likely impact on particular geographic areas, or particular groups, in the UK, and
- (v) the likely consequences for the competitive environment, and for the structure of markets for goods, in the UK.

25. In this regard, the economic interest test is naturally met when it comes to imports under commodity code 7210 6100 20 considering that there are no apparent UK producers of such products. There would therefore not be any negative impact in terms of injury, affected industries, geographical areas, or structure of the market of these goods in the UK. In HSG's view, if the safeguard measure continues to apply to the relevant products under commodity code 7210 6100 20, the UK market is likely to remain unstable from an import supply perspective. Quotas may be exhausted rapidly within each allocation period, creating uncertainty and making it difficult for UK importers and downstream steel users to plan purchasing, production schedules, and inventory management effectively.

26. In these circumstances, UK customers will continue to face ongoing cost volatility, including the risk of a 25% duty on volumes exceeding the quota, as well as additional administrative and management costs associated with monitoring quota utilisation, adjusting order timing, and securing alternative sources of supply. Such conditions disrupt established trade patterns and may constrain access to appropriate materials for downstream manufacturing in the UK.

27. By contrast, the resulting impact of removing from the quota imports under commodity code 7210 6100 20 would be positive. Removing the safeguard measure for the relevant products would promote a more stable and predictable market environment. Importers and customers would be able to source volumes in line with actual demand rather than being constrained by periodic quota limits. As a result, import costs would likely stabilise, as the risk of over-quota duties and associated compliance costs would be substantially reduced, thereby supporting the efficient operation of downstream industries. An exclusion would also help restore trade flows based on genuine market demand, enabling suppliers such as HSG to participate at sustainable levels without causing sudden surges in imports or unfair price competition.

28. For all these reasons, HSG submits that the exclusion of imports of galvalume steel products under commodity code 7210 6100 20 would meet the economic interest test under paragraph 23 of Schedule 5 to the Taxation (Cross-border Trade) Act 2018.

## 6. CONCLUSION

In light of the reasons put forward above, HSG submits that galvalume steel products under commodity code 7210 6100 20 should be excluded from the scope of the applicable steel safeguard measures.

HSG remains committed to participate as an interested party in the course of the present review and remains at the disposal of the TRA should any additional information be needed.

Sincerely,

Fabrizio Di Gianni

Aldo Scalini

Trajan Shipley