Submission filed on behalf of

International Trade Administration, Ministry of Economic Affairs of Taiwan

in the framework of the safeguard investigation concerning imports of Poly(ethylene Terephthalate) (SG0094)

8 October 2026

1. INTRODUCTION

1. On 5 August 2026, the Trade Remedies Authority (***TRA***) initiated a safeguard investigation concerning imports of Poly(ethylene Terephthalate) (***PET***) (***the product concerned***) into the United Kingdom (***the UK***) following the Application lodged by ALPEK Polyester Limited (***the Applicant*** *or* ***APUK***) under paragraph 7(6) of Schedule 5 to the Taxation (Cross-border Trade) Act 2018 (***the Act***).[1]

2. The present submission, lodged on behalf of the International Trade Administration, Ministry of Economic Affairs of Taiwan (***TITA***), comments on the initiation of the safeguard investigation and demonstrates that the imposition of safeguard measures on the products concerned would be inappropriate and unjustified for the following reasons:

- First, the safeguard investigation should be terminated in its entirety, without the imposition of safeguard measures, due to the fact that several prerequisites to apply safeguard measures, as laid down in the WTO rules, are not fulfilled (Section 2):
  - the alleged increase in imports resulting from the unforeseen developments was not recent, sudden, sharp and significant enough to cause (or threaten to cause) serious injury to the domestic industry;
  - there are no "unforeseen developments" that resulted in an increase in imports of the products concerned;
  - the alleged increase in imports did not cause serious injury;
  - the adoption of safeguard measures on the products concerned would not meet the economic interest test; and
  - a separate and individual assessment is required for each of the two products: the vergin PET resin (***vPET***) and the recycled PET resin (***rPET***).
- Second, in case the TRA were to impose safeguard measures on Taiwanese imports of PET, TITA claims that:
  - the safeguard investigation should be terminated with respect to the rPET resin, due to the fact that the substantive conditions to impose safeguard measures are not fulfilled for this category and it is not in the economic interest of the UK to impose the safeguard measure on this category;
  - in case the TRA insists the safeguard measure on rPET is still necessary, the TRA should allocate a country-specific tariff-rate quota for Taiwan (Section 3).

[1] The Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019.

2. THE IMPOSITION OF SAFEGUARD MEASURES WOULD VIOLATE WTO AND UK RULES ON SAFEGUARD MEASURES

3. The criteria for the imposition of safeguard measures on imports of PET are not met in the present case.

4. Safeguard measures are extraordinary remedies that should only be applied in extraordinary emergency situations. As a result of the extraordinary nature of safeguard measures, the TRA should be particularly vigilant in conducting the present safeguard investigation. Under the Schedule 5.7(1)(b) to the Taxation (Cross-border Trade) Act 2018,[2] the TRA can only initiate a safeguard investigation if there is *"sufficient evidence to justify"* the initiation of such an investigation.

5. Safeguard measures may only be justified where, as a result of unforeseen developments, a product is being imported in such increased quantities and under such conditions as to cause, or threaten to cause, **serious** injury to the domestic industry producing like or directly competitive products.

6. TITA argues in Section 2.1 and following sections that even if in the present case the conditions for the application of safeguard measures were to be assessed on global basis, *quod non*, the adoption of safeguard measures would violate both the Act and the WTO Agreement on Safeguards (***AoS***), and the General Agreement on Tariffs and Trade 1994 (***GATT 1994***) due to the fact that several substantive conditions for their imposition are not fulfilled. More precisely:

- the alleged increase in imports resulting from alleged unforeseen developments was not recent, sudden, sharp and significant enough to cause (or threaten to cause) serious injury to the domestic industry (Section 2.1);
- there are no "unforeseen developments" which resulted in an increase in imports of the products concerned (Section 2.2);
- the alleged increase in imports did not cause serious injury to the UK industry (Section 2.3); and
- any injury identified cannot be attributed to the alleged increase in imports (Section 2.3); and
- the adoption safeguard measures would not meet the economic interest test (Section 2.4).

7. TITA further submits in Section 2.5, that contrary to the approach followed by the Applicant - which assesses the above-referred prerequisites jointly with respect to vPET and rPET, rather than separately for each product - the TRA should examine the prerequisites to apply safeguard measures on an individual basis, separately for each product category.

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[2] Taxation (Cross-border Trade) Act 2018.

2.1 There are no recent, sudden, sharp and significant increases in imports

8. Under Part 2 of Regulation 2019/449, in order to apply safeguard measures the TRA should establish that the product concerned has been or is being imported into the UK in increased quantities. This requirement mirrors the wording of Article 2.1 of the AoS, which stipulates that imports must occur in *"such increased quantities"*, and/or on such terms or conditions as to cause, or threaten to cause, serious injury to Union producers. A similar formulation appears in Article XIX:1(a) of the GATT 1994.

9. The use of the qualifier *"such"* in the above provisions makes clear that not any increase in imports is sufficient to satisfy this criterion of an increase in imports. As explained by the WTO Appellate Body in *Argentina – Footwear (EC)*, this wording *"requires that the increase in imports must have been recent enough, sudden enough, sharp enough, and significant enough, both qualitatively and quantitatively, to cause or threaten to cause 'serious injury'."*[3] The term 'quantitively' refers to an increase in numerical terms whereas 'qualitatively' refers to the assessment of an increase in light of overall context and characteristics.[4]

10. With respect to the criteria of sudden and sharp increases, the WTO Panel in *Ukraine – Passenger Cars* clarified that the term *"sharp"* denotes a sudden change of direction that is both abrupt and steep, while *"sudden"* refers to something that occurs without warning, and is therefore both abrupt and unexpected. The Panel further explained that *"significant"* means noteworthy, important, or consequential.[5]

11. Moreover, Part 2.4(2) of Regulation 2019/449 dictates that the examination of, *inter alia*, the trend in imports and of the conditions in which they take place shall cover the volume of imports, in particular where there has been a significant increase, either in absolute terms or relative to production or consumption in the UK. These factors will be analysed in the subsections below.

2.1.1 The increase in imports reflects growing UK demand

12. The Application claims that imports of PET into the UK have increased significantly over the period under consideration. In particular, the Application points to the increase in import volumes between 2021 and 2025 as evidence of a significant increase in imports.[6]

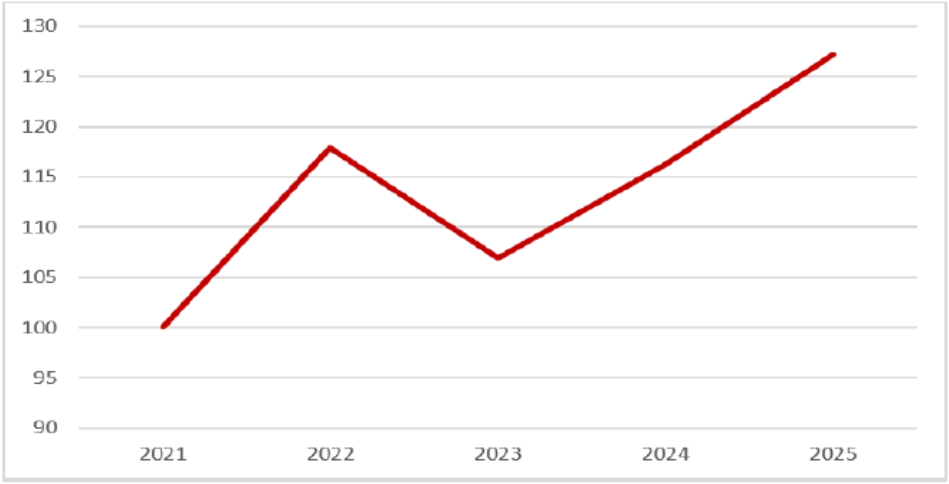
13. Such an assessment, however, cannot properly be made by reference to aggregate import volumes alone. The Application states that "*the demand for the object product … increased in the period of injury*".[7]

14. The increase in imports in fact only reflects the growing demand in the UK market. Moreover, such growing demand is mainly on rPET because of the legal requirement of recycled content and custom preference of sustainable materials. In particular, the increase in imports during the IP notably coincides with two developments: (i) a steady rise in the number of UK domestic producers importing flakes to convert it into rPET, and (ii) the progressive introduction and implementation of a series of new UK regulatory requirements applicable to plastic packaging.

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3 Appellate Body Report, *Argentina – Footwear (EC)*, para. 131.
4 Panel Report, *India – Iron and Steel Products*, paras. 7.149 – 7.150.
5 Panel Report, *Ukraine – Passenger Cars*, para. 7.146.
6 Application, para 22.
7 Application, para. 40.

Figure 1: Index of internal demand for the product concerned. Source: Application.



15. As will be addressed in more detail in Section 2.4.1, the quality of UK-produced rPET does not meet market demand. In this regard, according to market intelligence, because UK producers lack the infrastructure and systems needed to achieve the required quality, they have to increase imports of flakes (major raw materials of rPET) and mixed them with local produced flakes PET in order to improve the quality of their rPET output. As flakes fall in the same commodity codes of PET, a great portion of the increased imports shown commodity codes 39 07 61 and 39 07 69 was in fact contributed by the UK producers themselves.

16. As regards rPET regulatory requirements, the Plastic Packaging Tax (***PPT***) was introduced with effect from 1 April 2022 pursuant to Part 2 of the Finance Act 2021 and the Plastic Packaging Tax (General) Regulations 2022 (SI 2022/117). The tax applies to plastic packaging manufactured in, or imported into, the UK which contains less than 30% recycled plastic.[8]

17. The 30% recycled-content threshold consequently created a material distinction between PET packaging containing at least 30% recycled material and PET packaging containing less than 30%.

18. Producers and suppliers seeking to avoid the PPT therefore had an economic incentive to adapt their material specifications, sourcing arrangements and production processes in order to increase the use of rPET. The effect of such measure is reflected in the fact that average recycled content in UK plastic packaging has risen to 28%, having stood at less than a tenth prior to the introduction of such initiatives[9].

19. Moreover, as it will be analysed in further details in Section 2.4.1, the UK's domestic reprocessing capacity is capable of meeting only around 40% of the capacity required to reprocess all plastic packaging placed in the UK market.[10]

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[8] Part 2.47(1)(a) of the Finance Act 2021.

[9] WRAP, *UK Plastics Pact Knowledge Hub,* 31 March 2026, available at https://www.wrap.ngo/resources/report/uk-plastics-pact-knowledge-hub - download-file, last accessed on 11 September 2026, pages 2, 6.

[10] Ecosurety, *UK plastic packaging recycling infrastructure: recommendations for circularity*, January 2026, available at https://ecosurety.com/how-we-can-help/packaging-advisory-and-innovation/packaging-innovation/uk-plastic-packaging-recycling-infrastructure-recommendations-for-circularity, last accessed on 11 September 2026, pages 6, 11, 31, 41.

20. It follows that the increase in import volumes cannot be assessed in isolation from the accompanying increase in demand for rPET – a category the Applicant does not itself supply. Without comparing import growth to demand growth, an increase in imports cannot, without more, satisfy the "significant increase" standard.[11] Absent that analysis, it has not shown that imports increased beyond what demand growth alone would explain, and so has not discharged its burden of demonstrating an increase in imports.

2.1.2 Analysis of the volume of imports

21. The Application correctly reports that the UK import volume of PET increased during the IP. However, this increase cannot be considered *"recent enough, sudden enough, sharp enough, and significant enough"* within the meaning of the applicable legal standard.

Table 1. UK volume of imports of PET. Source: HM Revenue & Customs.

	2021	2022	2023	2024	2025
UK PET imports	163,753	231,255	216,697	248,335	308,914
Index	*100*	*141*	*132*	*152*	*189*

22. The year-on-year figures show that the import trend was not a sudden or sharp development within the meaning given to those terms by the WTO Panel in Ukraine – Passenger Cars, where "sharp" was defined as "involving sudden change of direction; abrupt, steep" and "sudden" as "happening or coming without warning; unexpected." To the contrary, the trend was highly irregular: after a sharp increase in 2022 (+41.2%), imports fell by 6.3% in 2023, before resuming growth in 2024 and 2025. A trend that includes an intervening year-on-year decline of this magnitude cannot be characterised as a single, sudden and sharp upward movement; it is inconsistent with the kind of abrupt, unexpected surge that Article XIX:1(a) of the GATT 1994 and Article 2.1 of the AoS requires.

23. Moreover, the recency of the increase is doubtful. The single largest year-on-year jump occurred in 2022 (+41.2%), early in the period considered, not in the most recent past. By contrast, the WTO Appellate Body in *Argentina – Footwear (EC)* held that the present-tense formulation "is being imported" requires investigating authorities "to examine recent imports, and not simply trends in imports during the past five years – or … during any other period of several years".[12] An investigation that relies on a spike that occurred three years before the end of the IP, following an intervening contraction, does not establish that the product "is being imported" in increased quantities within the meaning required.

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11 WRAP, *UK Plastics Pact Knowledge Hub,* 31 March 2026, available at https://www.wrap.ngo/resources/report/uk-plastics-pact-knowledge-hub - download-file, last accessed on 11 September 2026, page 2.

12 AB Report, *Argentina – Footwear (EC)*, para. 130.

24. Additionally, it is well established that 2022 was an exceptional year in which global trade volumes rebounded sharply as economies emerged from the COVID-19 pandemic.[13] Because this surge was a general, economy-wide phenomenon linked to the reopening of the global economy after an extraordinary shock, rather than a development specific to the PET or rPET markets, it cannot be treated as part of an ongoing, product-specific upward trend in imports. A single-year rebound of this kind, driven by the unwinding of a temporary pandemic-induced demand collapse, is properly characterised as a transitory normalisation effect[14] rather than the sudden, sharp and recent increase in imports required to sustain a safeguard measure.

25. Moreover, as mentioned above, the overall upward trend should be analysed in relation to increasing UK demand for PET, and in particular for rPET. The imports increase is then explained by a foreseeable, structural rise in demand for rPET linked to long-standing UK recycled-content policy, which cannot characterised as the kind of sudden, unexpected development that Article XIX:1(a) of the GATT 1994 requires. A trend that tracks a foreseeable and gradually implemented regulatory driver is, by definition, not "sudden" or "unforeseen."

26. For these reasons, the Application has failed to demonstrate an increase in imports that is recent, sudden, sharp and significant enough to meet the legal standard for the imposition of a safeguard measure.

2.2 There are no "unforeseen developments" that resulted in an increase in imports

27. This section will demonstrate that the unforeseen developments identified by the Applicant, namely (1) unexpected and accelerated increases in global excess capacity, (2) fundamental changes to Asia PET resin market, (3) European competition, and (4) raw material effect on the PET value chain, (5) expansion of rPET capacity, (6) trade policy responses to structural excess capacity in other major markets and (7) additional cost distortions linked to labor practices in exporting countries, are unfounded. The requirement of as required by Articles 3.1 and 4.2(c) of the WTO Agreement on Safeguards, the TRA's decision in the current investigation must contain some discussion as to why the alleged 'unforeseen developments' were 'unexpected' to the UK at the time it acceded to the WTO and why the increased imports causing or threatening to cause serious injury occurred 'as a result' of such unexpected circumstances.

2.2.1 No "unforeseen developments"

28. Article XIX:1(a) of the GATT 1994 provides that a WTO Member is only entitled to impose safeguard measures "[i]f, as a result of unforeseen developments […], any product is being imported into the territory of that contracting party in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products".

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13 WTO Press Release, *Trade growth to slow sharply in 2023 as global economy faces strong headwinds*, available at: https://www.wto.org/english/news_e/pres22_e/pr909_e.htm and *Global trade hits record $7.7 trillion in first quarter of 2022,* available at Global trade hits record $7.7 trillion in first quarter of 2022 | UN Trade and Development (UNCTAD).

14 ECB, *Global trade in the post-pandemic environment*, available at https://www.ecb.europa.eu/press/economic-bulletin/focus/2024/html/ecb.ebbox202401_01~d1c3b1b0a5.en.html.

29. The existence of 'unforeseen developments' is thus one of the circumstances which must be demonstrated by the TRA in order for a safeguard measure to be lawfully imposed.[15] The WTO Appellate Body in Korea – Dairy clarified the meaning of the term 'unforeseen developments,' holding that the developments which led to a product being imported in increased quantities must have been 'unexpected': "To determine the meaning of the clause […] in sub-paragraph (a) of Article XIX:1, we must examine these words in their ordinary meaning, in their context and in light of the object and purpose of Article XIX. We look first at the ordinary meaning of these words. As to the meaning of 'unforeseen developments', we note that the dictionary definition of 'unforeseen', particularly as it relates to the word 'developments', is synonymous with 'unexpected'. 'Unforeseeable', on the other hand, is defined in the dictionaries as meaning 'unpredictable' or 'incapable of being foreseen, foretold or anticipated'".[16]

30. The moment in time at which a certain development must have been 'unforeseen' or 'unexpected' is the time at which the negotiators of the Member imposing the safeguard measure granted the relevant tariff concessions.[17] In other words, the Member imposing the safeguard measure must be confronted with a development that it had not 'foreseen' or 'expected' when it incurred the relevant obligations under the GATT 1994.[18] In the present case, the relevant moment in time is thus the time at which the UK negotiated its tariff concessions with respect to the products concerned, being the Uruguay Round, spanning from 1986 to 1994.

31. Based on this understanding, we analyze each of the unforeseen developments alleged in the Application and find none of them established.

(i) Unexpected and accelerated increases in global excess capacity

32. Global overcapacity cannot qualify as an unforeseen development. Productive capacity in the PET sector is the outcome of long-term investment decisions in capital-intensive facilities and cannot arise suddenly or unexpectedly. A development that can be clearly anticipated and prefigured in one's mind cannot, by definition, be considered 'unexpected' under the interpretation given by the WTO Appellate Body. At most, global overcapacity reflects structural market conditions, not an unforeseen development within the meaning of Article XIX:1(a) of the GATT 1994.

33. The Applicant's methodology, consisting in extrapolating the 2018-2021 Compound Annual Growth Rate (***CAGR***) forward as the 'expected' benchmark and treating the 2025 divergence as proof of an unforeseeable structural break, is unreliable. The baseline period is itself distorted by the COVID-19 pandemic. PET demand collapsed in 2020 and only partially recovered by 2021, so the resulting CAGR reflects an artificially depressed growth rate rather than the underlying trend market participants would have projected. Furthermore, capacity expansions of the kind alleged, including new PET and feedstock capacity in China and elsewhere in Asia, are typically decided several years before commissioning, on the basis of publicly announced investment plans and industrial policy incentives. Capacity additions cannot properly be characterised as 'unforeseen' or 'unexpected' under Article XIX:1(a) merely because their cumulative effect, once realised, exceeds a linear extrapolation of an earlier and distorted growth rate.

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15 AB Report, *Korea – Dairy*, para. 85. See also AB Report, *Argentina – Footwear* (EC), para. 92.
16 AB Report, *Korea – Dairy*, para. 84. See also AB Report, *Argentina – Footwear* (EC), para. 91.
17 Panel Report, *Argentina – Preserved Peaches*, paras. 7.25-7.28, referring to AB Reports, *Argentina – Footwear (EC)*, para. 96 and *Korea – Dairy*, para. 89 and referring to GATT Working Party Report, *US – Fur Felt Hats*, adopted 22 October 1951.
18 AB Report, *Korea – Dairy*, para. 86.

(ii) Fundamental changes to Asia PET resin market

34. The Applicant further submits that, beginning in 2021, the Asian PET market, centered on China, departed from its prior trajectory driven by a rapid increase in capacity growth well beyond the pace observed before 2021, substantially outpacing demand.[19] The Applicant relies on the same underlying capacity and demand data referred to in paragraph (i) above, supplemented by evidence of a concentrated wave of plant commissioning in 2023, and the 2024 launch of a Bottle Grade PET Resin Futures market on the Zhengzhou Commodity Exchange. This argument must be rejected. To the extent it rests on the same 2018-2021 baseline we reiterate that this baseline spans the COVID-19 demand shock and its rebound, and the Applicant has given no reasoned explanation why this distorted period remains the correct comparator for what should have been 'expected' in the Asian PET market thereafter.

35. Moreover, a concentration of plant commissioning in 2023 does not establish an unforeseen development. PET and feedstock capacity is planned several years before commissioning and the 2023 wave therefore reflects investment decisions already identifiable through project announcements, permitting and industry reporting. It cannot be characterised as 'unforeseen' merely because capacity came on stream in that year. The emergence of a futures market likewise points to anticipated, manageable price and supply volatility, rather than an unprecedented market development.

(iii) European competition

36. The Applicant submits that increasing import competition from the EU reflects 'a structural shift in sourcing patterns,' attributing this shift to the fact EU producers benefit from relatively lower production costs, while the EU has likewise been affected by the global excess capacity described above, resulting in volumes that can no longer be absorbed by saturated domestic and EU markets being redirected to the UK.[20] However, this argument fact cannot be considered an unforeseen development.

37. The Applicant expressly attributes the EU producers' growing presence in the UK market to global excess capacity.[21] Having failed to establish that global excess capacity constitutes an 'unforeseen development' for the reasons set out in paragraph (i) above, the Applicant cannot repackage the same phenomenon as a distinct unforeseen development simply by inserting an intermediate step of alleged EU market saturation.

38. Moreover, a comparative cost advantage enjoyed by foreign producers is, in itself, an ordinary feature of competitive international trade and cannot constitute an 'unforeseen development' within the meaning of Article XIX:1(a) of the GATT 1994. Indeed, the Applicant itself attributes the growing presence of EU products in the UK market to their comparatively lower cost structures and ability to offer more competitive prices.[22] Such cost advantages, unconnected to any specific, demonstrated shock or unfair practice, is precisely the type of ordinary competitive condition that trade liberalisation is designed to permit, not a circumstance that WTO negotiators could not have anticipated when the UK incurred its relevant tariff obligations.

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19 Application, para. 26(2).
20 Application, para. 26(3).
21 *Ibidem*.
22 *Ibidem*.

(iv) Raw material effect on the PET value chain

39. The Applicant submits that volatility in feedstock costs, particularly for terephthalic acid (***PTA***) and mono ethylene glycol (***MEG***), which are closely linked to crude oil prices, has been driven by geopolitical developments following Russia's invasion of Ukraine and by differences in Asian producers' access to discounted Russian crude oil and naphtha.[23] According to the Applicant, these factors have resulted in divergent input cost structures across regions, giving rise to what it characterizes as systemic and deeply embedded distortions throughout the petrochemical value chain. However, also this argument has no standing.

40. Fluctuations in the price of crude oil and its derivatives are a paradigm example of ordinary commodity market volatility, not an unforeseen development within the meaning of Article XIX:1(a) of the GATT 1994. Crude oil, naphtha, PTA and MEG prices have historically been subject to significant volatility driven by, *inter alia*, geopolitical events, production decisions, and macroeconomic cycles. Precisely, the continuation of a well-known pattern of feedstock price volatility cannot be characterized as 'unforeseen development'.

(v) Expansion of rPET capacity

41. The Applicant submits that rPET capacity expanded from a stated baseline in 2021 to a materially higher level by 2025, with Asia and China in particular, as the main source of this growth and argues that the resulting expansion marked a significant departure from previous trends, amounting to an unforeseen development in both its scale and timing.[24]

42. Again, this argument merely restates the global and Asian capacity-growth arguments addressed in paragraphs (i) and (ii) above, now applied to a specific segment of the rPET market**.** Accordingly, the data relied upon are distorted by COVID-19 pandemic and reflect the normal business cycle, rather than an unforeseen development.

43. Moreover, the expansion of rPET capacity, in particular, is a foreseeable and indeed intended consequence of well-publicised environmental and regulatory policy across major markets that have been in place and publicly known for a period of years prior to the investigation. In this regard, we recall that the UK itself has adopted regulatory instruments, such as the UK Plastics Pact and the UK Packaging Pact, which seek to stimulate demand for recycled content.[25] An increase in rPET capacity in response to such policy incentives is the opposite of an unforeseen development. It is the predictable market response to well-known and publicly announced regulatory drivers.

(vi) Trade policy responses to structural excess capacity in other major markets

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23 Application, para. 26(4).
24 Application, para. 26(5).
25 Eren Waitzman, House of Lords Library, *Plastic recycling targets*, published 12 November 2025, available at Plastic recycling targets - House of Lords Library, last accessed on 11 September 2026.

44. The Applicant submits that the imposition of tariffs and anti-dumping measures by third countries against PET imports, together with third countries regulatory action, points to a "consistent pattern across major markets" of structural excess capacity and export-oriented supply, with the UK remaining exposed to the same underlying global conditions.[26]

45. WTO case-law directly rejects the proposition that trade measures adopted by third countries, causing displacement of production or trade flows, automatically establish that resulting imports into the investigating Member increased 'as a result of' an unforeseen development.[27] The required connection must instead be demonstrated through a fact-specific analysis, not merely inferred from the coincidence of two events.

46. The same reasoning applies with full force in the case at hand. Even if third countries' trade measures displaced some volume of PET production or trade flows globally, this does not, without more, establish that the resulting displacement was directed to, and increased imports into, the UK specifically, still less that such a chain of displacement was itself unforeseeable.

47. Finally, the imposition of trade remedies by other WTO Members is, in itself, an entirely foreseeable feature of the international trading system, expressly contemplated and regulated by the WTO Agreements. A WTO Member cannot treat the lawful exercise by other Members of trade remedy rights that the WTO Agreements expressly grant them as an 'unforeseen development' for the purposes of its own safeguard investigation.

(vii) Additional cost distortions linked to labor practices in exporting countries are unfounded

48. The Applicant submits that "informal and weakly regulated labor practices in certain PET-exporting countries, including instances of forced labor and, in some cases, child labor," have materially reduced production and collection costs, particularly in the recycling segment, enabling exports of low-cost rPET "that does not reflect market-based labor conditions," and that this constitutes a further "unforeseen" distortion.

49. However, a bare assertion that low labor costs "enable" low-cost exports, without a reasoned and evidence-based demonstration of when and how this became an unforeseen development, does not satisfy the standard required under Article XIX:1(a) of the GATT 1994, still less the requirement that such matters be established in the same published report and not supplemented after the fact.

2.2.2 No logical connection between alleged 'unforeseen developments' and an increase in imports

50. In order for a safeguard measure to be imposed in a lawful manner, and in addition to the demonstration of the existence of 'unforeseen developments', an investigating authority must demonstrate that any identified 'unforeseen developments' have resulted in increased imports of the product subject to the safeguard measure and that such increased imports are causing (or threatening to cause) serious injury to the domestic industry.

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[26] Application, para. 26(6).
[27] AB Report EU – Safeguard Measures on Certain Steel Products, paras. 7.134–7.138 and 7.142–7.146.

51. As held by the WTO Appellate Body in *Korea – Dairy*, there must be a *"logical connection"* between the unforeseen developments and the increase in imports.[28] For such a 'logical connection' to exist, the relevant unforeseen developments must occur before imports started to surge. Indeed, if a development were to occur after a surge in imports, those imports could not have increased *"as a result of"* that unforeseen development.

52. Depending on the circumstances of the case, an investigating authority may – in addition to demonstrating a coincidence in time between the 'unforeseen developments' and the increase in imports – also need to explain how the 'unforeseen developments' modified the competitive relationship between the imported and domestic products to the detriment of the latter and to such a degree as to result in an increase in imports causing (or threatening to cause) serious injury to the domestic industry.

53. As explained by the WTO Panel in *US – Steel Safeguards*, while in some cases the explanations of how alleged unforeseen developments resulted in increased imports causing or threatening to cause serious injury may merely be require *"bringing two sets of facts together"*, other cases may require a much more detailed analysis.[29] This is also supported by the findings of the WTO Panel in *US – Lamb*, in which the Panel suggested that events that modify the competitive relationship between imported and domestic products to the detriment of the latter constitute 'unforeseen developments' within the meaning of Article XIX:1(a) of the GATT 1994.[30]

54. The Application does not demonstrate any logical connection between an increase in imports and the alleged unforeseen developments. The Application lists developments such as overcapacity in PET industry, changes to Asia PET resin, EU competition, raw materials effect on PET value chain, expansion of rPET capacity in Asia, trade restrictions in third countries and additional cost distortions. However, how such developments influenced the trade flow toward the UK market is missing.

55. In conclusion, TITA respectfully submits that safeguard measures cannot be lawfully imposed without demonstrating the *"logical connection"* between the alleged *"unforeseen developments"* and the alleged increase in imports. Given the absence of any sound logical connection, the safeguard investigation should be terminated. Moreover, the TRA cannot take into account any increase in imports that is not the result of the unforeseen developments identified, but which is caused, instead, by other events.

2.2.3 The assessment of unforeseen development should also be carried out for rPET and vPET separately

56. As will be further explained in Section 2.5 below, TRA should determine, for each product category individually, whether the substantive conditions to impose a safeguard measure are fulfilled. The same legal requirement is also applied when assessing the existence of unforeseen development.

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28 AB Report, *Korea – Dairy*, para. 85.
29 Panel Report, *US – Steel Safeguards*, para. 10.115.
30 Panel Report, *US – Lamb*, para. 7.23.

57. This is confirmed by the *AB in US – Steel Safeguards* clarified that "when an importing Member wishes to apply safeguard measures on imports of several products, it is not sufficient merely to demonstrate that 'unforeseen developments' resulted in increased imports of a broad category of products that included the specific products subject to the respective determinations by the competent authority".[31] Rather, the AB held that the demonstration of "unforeseen developments" must be performed for each product subject to a safeguard measure. Nonetheless, the Application is totally silent about this crucial test.

2.3 The Application does not substantiate serious injury with verifiable evidence

58. Pursuant to Article 4.2(c) of the AoS, the competent authority shall publish a detailed analysis of the case under investigation as well as a demonstration of the relevance of the factors examined. This is because safeguard measures are defined as "emergency" actions with respect to increased imports of particular products, where such imports have caused or threaten to cause serious injury to UK producers. Due to their extraordinary nature, the TRA must provide clear and compelling evidence that justifies such measures.

59. In this case, the Applicant redacted the specific figures for every injury indicator on which it relies.[32] TITA asserts its right of defence in respect of this wholesale redaction. Article 3.2 of the AoS allows genuinely confidential information to be protected, but also provides that parties submitting such information "*may be requested to furnish non-confidential summaries thereof or, if such parties indicate that such information cannot be summarized, the reasons why a summary cannot be provided*".

60. As the Panel held in *US – Steel Safeguards*, the obligation to protect confidential data under Article 3.2 does not excuse the authority from explaining its findings: where data can be presented in a modified form, such as through indexing or aggregation, without breaching confidentiality, the authority must do so. Providing no data at all is permitted only once those alternatives have been shown not to work, and even then the authority must still explain, in reasoned terms, why no form of disclosure was possible.[33]

61. The Application does none of this. It provides no indexed or aggregated figures for the redacted injury indicators, and no explanation of why even that lesser form of disclosure could not be given. This falls short of the standard set out above.

62. As a result, the non-confidential version of the Application does not permit TITA to verify the existence, extent, or timing of the alleged injury, still less to test the Applicant's claim that the decline in its performance was caused by imports rather than by other factors. TITA requests that the TRA direct the Applicant to provide, at a minimum, indexed or aggregated figures for the redacted injury indicators or, failing that, a reasoned explanation of why this is not possible.

2.4 An adoption of safeguard measures on the products concerned would not meet the economic interest test

63. This section will address the issue of the economic interest test, particularly focusing on the fact that the adoption of safeguard measures would be detrimental to the interests of UK stakeholders.

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31 AB Report, *US – Steel Safeguards*, para. 319.
32 Application, paras. 27-33.
33 Panel Report, US – Steel Safeguards, paras. 10.273-10.275.

2.4.1 UK producers cannot fully satisfy the demand on the UK market, both in volume and in quality

64. As set out below, the sole UK producer of vPET, APUK, cannot meet UK PET demand. The only two UK producers of rPET – Plastipack (Clean Tech) and Biffa (Esterform) - also failed to meet the UK rPET demand, whether measured by volume or by quality.

65. On volume, UK domestic production and processing capacity for vPET and rPET combined falls structurally short of UK demand, a shortfall further widened by APUK's repeated and recurring production interruptions.

66. On quality, the rPET that UK reprocessors do produce is frequently unable to meet the specifications required by converters and brand owners, particularly for food-grade and other high-specification applications. These volume and quality shortfalls mean that UK downstream users depend on imports, including from Taiwan, to meet demand that domestic production cannot satisfy either in quantity or to the standard required.

(a) UK production is structurally insufficient to meet UK PET demand

67. APUK is the sole UK producer of vPET and does not manufacture rPET itself. This is confirmed in APUK's own application, where it states that it is the sole UK producer of vPET and that a number of separate rPET producers and suppliers exist in the UK.[34]

68. On the demand side, the Application relies on the TRA's findings in case TS0060, according to which UK PET consumption was in the range of 370,000-420,000 tonnes, the Applicant's estimated share of the total UK PET market was 20% to 36%, and the UK PET industry was composed of approximately 58% vPET and 42% rPET.[35] This confirms, from the Applicant's own submission, that the Applicant covers only a minority share of total UK PET demand.

69. Additionally, it emerges that approximately 551,000 tonnes of PET packaging were placed on the UK market in 2024.[36]

Table 2. 2024 UK demand of PET. Source: Valpak Limited, Plastic PackFlow 2025 – Methodology Review. [37]

PET packaging format	UK POM[38] in 2024
Bottles	256,000 tonnes
Pots, tubs and trays	179,000 tonnes
Other rigid packaging	80,000 tonnes
Film	36,000 tonnes
Total PET packaging	**551,000 tonnes**

34 Application, *inter alia*, para. 9.
35 Application, para. 16.
36 **Annex 1** – Valpak Limited, Plastic PackFlow 2025, Table 17, p. 38.
37 Ibid, Table 17, p. 38.
38 Plastic packaging placed on the market.

70. On the supply side, RECOUP reported in January 2026 that APUK's Redcar facility can produce up to 610 tonnes of PET resin per day.[39] At this rate, APUK's theoretical maximum annual output would be approximately 222,650 tonnes, assuming continuous operation with no allowance for maintenance, technical interruptions or feedstock constraints.

71. Separately, RECOUP reported in July 2026, based on analysis by Enviroo, that current UK food-grade rPET processing capacity stands at approximately 85,000 tonnes per year.[40]

72. Putting these figures together: even under maximum operating assumptions, APUK's theoretical vPET output together with identified UK food-grade rPET capacity amounts to approximately 307,650 tonnes (vPET 222,650 tonnes and rPET 85,000 tonnes) per year, covering only around 56% of the 551,000 tonnes of UK PET demand in 2024 – leaving approximately 243,350 tonnes, or 44% of UK demand, uncovered by identified domestic production capacity. This demonstrates that UK domestic production capacity is insufficient to meet UK PET demand even under maximum operating assumptions, and that the UK market structurally requires imports to supplement domestic supply. The structural gap is significantly widened by APUK's repeated production interruptions.

73. The theoretical capacity figure above already overstates realistically available UK supply, because it assumes uninterrupted year-round operation. In practice, repeated production constraints, reduced output and outright interruption at APUK's UK operations occurred every year, as summarized in the table below:

Table 3. Overview of APUK production/supply conditions. Source: ICIS reports.[41]

Period	Reported production status	Reported circumstances
April 2021	Supply constraint	Technical problems and insufficient feedstock; supply was reportedly subject to 80% allocation.
September 2022	Reduced output	Production was reduced amid high energy costs and market conditions.
2023	Reduced operating rates	Market reports indicated periods of reduced PET production during the year.
February 2024	Production interruption	Feedstock shortage resulted in a plant shutdown. A subsequent restart encountered a technical issue, resulting in another shutdown.
October 2024 – May 2025	Extended production interruption	A machinery/technical issue resulted in the shutdown of the plant. Production did not resume until around May 2025, representing an interruption of approximately seven months.[42]
July 2025	Adjusted operating rate	The plant was running according to market conditions, with multiple European sites operating at adjusted capacity to align with the state of the market.

39 RECOUP, *Alpek Polyester Members Visit*, 26 January 2026, available at https://www.recoup.org/2026/01/26/alpek-polyester-members-visit/, last accessed on 11 September 2026.

40 RECOUP, *UK Needs £750M in New PET Recycling Capacity Ahead of Deposit Return Scheme*, 23 July 2026, available at https://www.recoup.org/members-update/uk-needs-750m-in-new-pet-recycling-capacity-ahead-of-deposit-return-scheme/, last accessed on 11 September 2026.

41 **Annex 2** – ICIS reports **[SENSITIVE – Confidential information on company's operations]**.

42 ChemOrbis, *Alpek Polyester aims to restart UK PET plant in Q1 2025,* 6 December 2024, available at https://www.chemorbis.com/en/plastics-news/Alpek-Polyester-aims-to-restart-UK-PET-plant-in-Q1-2025/2024/12/06/919700#reportH, last accessed on 11 September 2026.

February 2026	Scheduled maintenance shutdown	APUK scheduled a further three-week shutdown for maintenance beginning at the end of May 2026.

74. APUK's interrupted production from October 2024 and March 2025 (approximately seven months) directly cause approximately 130,000 tonnes of potential domestic vPET production that was unavailable to the UK market. The actual supply from the domestic producers of the UK was in fact less than 32% (= (307,650 tonnes – 130,000 tonnes) / 551,000 tonnes). This was not an isolated occurrence: APUK's UK production had been constrained, reduced or interrupted on several occasions in preceding years, so the assessment of domestic supply availability should reflect APUK's actual operating record rather than its theoretical maximum capacity.

75. Import data show that imports of PET increased from approximately 163,753 tonnes in 2021 to 308,914 tonnes in 2025, an increase that coincided with the repeated production constraints described above. In particular, the rise in imports in 2024 and 2025 coincided with the February and October 2024-May 2025 interruptions, meaning that UK customers necessarily relied more heavily on imports precisely when domestic supply was unavailable.

76. The pattern of discrete outages set out above is confirmed, and reinforced, by APUK's own annual operating data. Between 2021 and 2023, APUK's nameplate PET capacity at Wilton was reduced from 350,000 tonnes per year to 200,000 tonnes per year, where it has remained through 2026. Even measured against this reduced nameplate capacity, APUK's utilization rate has remained persistently low throughout the period under investigation.[43]

77. Taken together, the evidence shows that the shortfall in domestic supply is structural and recurring rather than an isolated event attributable to imports. Between 2021 and 2026, APUK's Wilton facility was reported to be operating at reduced rates, on allocation, or shut down entirely in at least nine of the reporting periods reviewed, for reasons ranging from feedstock shortages and technical faults to weak market dynamics and scheduled maintenance.

78. A safeguard measure cannot cure a supply shortfall that is rooted in the sole domestic producer's own operating constraints, and restricting imports in these circumstances would deprive UK converters and downstream users of the very supply that has consistently compensated for APUK's shortfalls throughout the period under investigation.

79. A safeguard measure restricting those imports would not create additional domestic capacity; it would simply remove the supply that fills a gap the sole UK producer cannot close even when operating at full nameplate capacity – confirming that safeguard measures would not be in the interest of the UK, since without imports the country does not have enough production to meet its own demand.

(b) UK quality standards fail to meet UK PET customer requirements

[43] **Annex 2** – ICIS reports **[SENSITIVE – Confidential information on company's operations]**.

80. The rPET that UK reprocessors do produce is constrained by feedstock and process quality issues that limit its usability, particularly for food-grade and other high-specification applications. UK feedstock quality is characterised as inconsistent and below European standards, requiring additional pre-sorting and cleaning steps that add to operational cost, with reprocessors often bearing these costs because enforceable quality standards are not applied at the material-recycling-facility level.[44] Market demand is increasingly concentrated on food-grade and high-quality recycled content, with buyers willing to pay a premium for verified quality — yet chemical recycling, viewed as the primary route to producing reliable food-grade material, still struggles with the quality of post-consumer feedstock and with commercial readiness at scale. [45]

81. These volume and quality deficiencies, taken together, are the major reasons why UK brand owners must import rPET rather than sourcing it domestically. The UK market lacks not only sufficient quantity, but sufficient quality, of rPET capable of meeting customer specifications for transparent, food-contact-grade packaging. It follows that a safeguard measure restricting sufficient rPET imports would remove supply that domestic production cannot replace either in volume or in quality, and would accordingly injure, rather than protect, the UK market.

2.4.2 Safeguards on rPET would undermine the UK recycle policy objectives and harm downstream businesses

82. In addition to the factors discussed above, imposing a safeguard on rPET would directly undercut the UK's own recycled-content policy. As addressed in section 2.1.1. above, the PPT exists specifically to reward the use of recycled plastic content and penalise packaging below the 30% recycled-content threshold.[46] The UK Government has explicitly affirmed the PPT key aim is to provide an "*economic incentive*" to use recycled material in plastic packaging and stimulate demand for higher recycled content.[47]

83. The PPT charges a per-tonne levy only on finished plastic packaging components that contain less than 30% recycled plastic by weight, so packaging that meets or exceeds that threshold owes no tax while packaging that falls short is charged, creating a financial incentive to increase recycled content.[48] It follows that layering a safeguard on top of the PPT would create a double burden. Economic operators would be subject to the tax for failing to meet recycled-content requirements, while simultaneously facing higher costs for importing the rPET necessary to satisfy those requirements.

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44 Ecosurety, *UK plastic packaging recycling infrastructure: recommendations for circularity*, January 2026, available at https://ecosurety.com/how-we-can-help/packaging-advisory-and-innovation/packaging-innovation/uk-plastic-packaging-recycling-infrastructure-recommendations-for-circularity, last accessed on 23 September 2026, page 34

45 Ecosurety, *UK plastic packaging recycling infrastructure: recommendations for circularity*, January 2026, available at https://ecosurety.com/how-we-can-help/packaging-advisory-and-innovation/packaging-innovation/uk-plastic-packaging-recycling-infrastructure-recommendations-for-circularity, last accessed on 23 September 2026, page 32

46 Finance Act 2021, c. 26, Part 2, available at https://www.legislation.gov.uk/ukpga/2021/26/part/2.

47 HM Revenue & Customs, *Introduction of a new packaging tax – Policy objective,* 12 November 2020, available at https://www.gov.uk/government/publications/introduction-of-a-new-plastic-packaging-tax/introduction-of-a-new-plastic-packaging-tax, last accessed on 18 September 2026.

48 HM Revenue & Customs, *Introduction of a new packaging tax – Policy objective,* 12 November 2020, available at https://www.gov.uk/government/publications/introduction-of-a-new-plastic-packaging-tax/introduction-of-a-new-plastic-packaging-tax, last accessed on 18 September 2026.

84. As explained above, domestic food-grade rPET pelletisation capacity is approximately 85,000 tonnes per year, well short of UK demand.[49] Were a safeguard measure to apply to rPET, converters and brand owners unable to source enough domestically would have no domestic alternative to fall back on. Consequently, the measure would not shift their demand to UK producers, it would simply raise their costs, with no substitution available.

85. From 1 April 2026, the UK PPT has been increased to £228.82 per tonne.[50] Moreover, the future introduction in April 2027 of the Mass Balance Approach (***MBA***) under the PPT, is intended to increase demand for chemically recycled plastic by enabling business to claim an exemption from PPT when their plastic packaging contains 30% or more recycled plastic.[51]

86. Therefore, as the definition of recycled plastic of the 2021 Finance Act will be amended to include chemically recycled plastic tied to a certification scheme, UK importers of plastic packaging that incorporates chemically recycled plastic will be required to certificate their supply chain for the recycled material, restraining the options for business to comply with the PPT and indirectly incentivizing secure verified, already-certifiable post-consumer mechanically recycled content (such as rPET).

87. Following further modifications of the PPT under the MBA, the measure will also remove pre-consumer waste as a source of recycled content no longer accounting towards the 30% threshold.[52] Accordingly, any packaging component that was previously exempt partly on the strength of pre-consumer content will need to replace that content with genuine post-consumer recycled plastic to stay under the 30% threshold and avoid levy. Where UK reprocessing capacity for post-consumer material is constrained,[53] the substitution to post-consumer rPET must be sourced somewhere.

88. It is therefore clear that a safeguard on rPET imports would pull directly against a tax the UK designed to drive demand toward that same material. For these reasons, the TRA should not impose a safeguard measure on PET, and precisely rPET.

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49 RECOUP, *UK Needs £750M in New PET Recycling Capacity Ahead of Deposit Return Scheme*, 23 July 2026, available at https://www.recoup.org/members-update/uk-needs-750m-in-new-pet-recycling-capacity-ahead-of-deposit-return-scheme/, last accessed on 11 September 2026.

50 UK Government, *Plastic Packaging Tax (PPT) statistics background and references*, available at https://www.gov.uk/government/statistics/plastic-packaging-tax-ppt-statistics/plastic-packaging-tax-ppt-statistics-background-and-references.

51 HM Revenue & Customs, *Plastic Packaging Tax: mass balance approach and removal of pre-consumer plastic,* 26 November 2025, available at https://www.gov.uk/government/publications/plastic-packaging-tax-mass-balance-approach-and-removal-of-pre-consumer-plastic/plastic-packaging-tax-mass-balance-approach-and-removal-of-pre-consumer-plastic, last accessed on 18 September 2026.

52 HM Revenue & Customs, *Plastic Packaging Tax: mass balance approach and removal of pre-consumer plastic,* 26 November 2025, available at https://www.gov.uk/government/publications/plastic-packaging-tax-mass-balance-approach-and-removal-of-pre-consumer-plastic/plastic-packaging-tax-mass-balance-approach-and-removal-of-pre-consumer-plastic, last accessed on 18 September 2026.

53 Ecosurety, *UK plastic packaging recycling infrastructure: recommendations for circularity*, January 2026, available at https://ecosurety.com/how-we-can-help/packaging-advisory-and-innovation/packaging-innovation/uk-plastic-packaging-recycling-infrastructure-recommendations-for-circularity, last accessed on 18 September 2026, page 11.

2.5 The investigation should focus on individual examinations for each product category

89. TITA respectfully urges TRA to examine the situation of each of the product categories **individually**. To be specific, rPET and vPET are significantly different in production processes, supply chains, sales channels, customer demands etc. Therefore, an investigating authority should – in such circumstances – make individual determinations for each concerned product category.

90. The Application is seriously and irremediably vitiated as it lacks meaningful and detailed information specific to each product category regarding critical aspects such as "unforeseen developments", increased imports, resulting serious injury, and the causal relationship for each individual product category.

91. While the AoS does not prevent the initiation of a safeguard investigation with respect to multiple products, an investigating authority should – in such circumstances – make separate determinations for each concerned product or product category. Such an individual approach is supported by the findings in *Dominican Republic – Safeguard Measures*, where the panel considered that "the definition adopted by the competent authority is that which governs the definition of the product under investigation, as well as the way in which the relevant data should have been analysed in the investigation".[54] Taking into account the broad product grouping of the present safeguard investigation, TRA should determine, for each product category individually, whether the substantive conditions to impose a safeguard measure are fulfilled.

92. The Application fails to distinguish between rPET and vPET and instead treats them as a single entity.

93. While rPET and vPET share similar physical characteristics and usage, they are significantly different in production processes, supply chains, sales channels, customer demands etc. They cannot on that basis be treated as the same product and cannot therefore be assessed jointly under the AoS. This is why in the Application, rPET and vPET are defined separately and also explained separately for raw inputs, production process, distribution and use, market segmentation, the UK producers, and all economic performance elements. Therefore, a reasonable and logical approach to determine whether vPET and rPET should be assessed under a single AoS analysis, is to apply four general criteria:

i. production process;

ii. supply chains & raw inputs

iii. sales channels and consumer and preferences;

iv. the tariff classification of the products.

94. First, the **production process** for rPET and vPET are different. The production facilities of vPET cannot be used to produce rPET.

95. The production process for vPET consists of two stages:

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[54] Panel Report, *Dominican Republic — Safeguard Measures*, para. 7.236

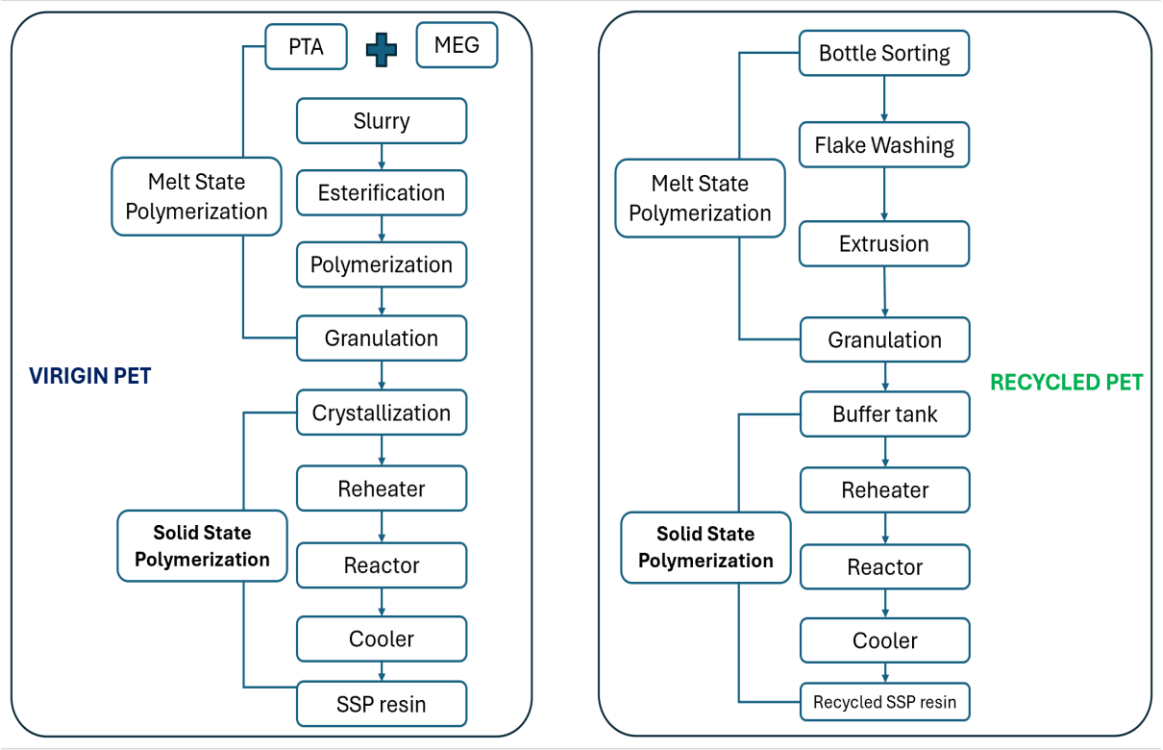
- Stage 1 - Melt State Polymerization: First, raw materials – including pure Terephthalic Acid (***PTA***) and Ethylene Glycol (***EG***) – are added to a mixing tank (slurry). The mixture then undergoes esterification and polymerization, followed by granulation.

- Stage 2 – Solid-State Polymerization: In this stage, the pellets obtained in Stage 1 are solidified at a low temperature to promote crystallization, then reheated. Next, the mixture is passed through a reactor and cooled, yielding the final product: virgin PET pellets.

96. The production process for rPET pellets also consists of two stages:

- Stage 1 – Melt State Polymerization: The production process for rPET begins with the collection of used PET bottles. These bottles are then compressed into blocks for easier transportation and storage. These blocks are ground into small flakes and thoroughly washed (Flake Washing). After cleaning, the flakes undergo extrusion and granulation.

- Stage 2 – Solid-State Polymerization: In this stage, the pellets obtained in Stage 1 are transferred to a buffer tank and reheated. Next, the mixture is passed through a reactor and then cooled, yielding the final product: recycled PET pellets. This step in the production process is identical to Stage 2 of the vPET production process.



97. Moreover, contaminants such as trace polyvinyl chloride (***PVC***) catalyze chain scission during reprocessing of rPET alters crystallization behavior and imposes specific quality thresholds that vPET is never required to meet.[55] These include minimum intrinsic viscosity, moisture content, and PVC contamination limits that must be satisfied before rPET flakes can be reprocessed at all.

98. Again, benzene is detected in rPET at markedly higher frequency than in vPET, and the concentration of volatile organic compounds (***VOCs***) and phthalates rises progressively at each successive stage of the recycling chain. While rPET therefore remains, at the polymer level, chemically identical to vPET, the recycling process shapes it into a functionally distinct grade with its own chemical profile, quality parameters and handling requirements.[56]

99. Accordingly, rPET's production process must additionally manage degradation and contamination that vPET synthesis never encounters. Mechanical reprocessing exposes the polymer to repeated thermal and hydrolytic stress from residual moisture and contaminants (PVC, adhesives, dyes, acetaldehyde), which lowers molecular weight and intrinsic viscosity and requires corrective steps such as vacuum degassing, stabilizers, chain extension or additional solid-state polymerization to bring the resin back toward virgin-grade specification.[57]

100. Whereas vPET production is a forward chemical process that transforms raw materials into a product meeting defined specification, rPET production is a recovery and restoration process that begins with post-consumer material of inherently variable and often degraded quality. This fundamental difference explains why regulatory and quality-control frameworks typically treat the two products separately.

101. This fundamental distinction also gives rise to separate and materially different production facilities. vPET requires a chemical polymerization plant — comprising reactors that perform esterification or trans-esterification of terephthalic acid/dimethyl terephthalate with ethylene glycol under controlled high temperature and pressure, followed by pre-polymerization and polycondensation under vacuum, and frequently a further solid-state polymerization unit to build the resin up to bottle-grade molecular weight. rPET, by contrast, requires a mechanical reclamation facility, comprising equipment for the collection and sorting of bottles, washing, crushing into flakes, flake washing and separation, drying, and extrusion. These are physically distinct sets of equipment serving different functions such that one cannot substitute for the other.

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55 **Annex 3** – Progress in Polyethylene Terephthalate Recycling, pages 6, 8, 14, 17, 18.

56 Lisa Zimmermann, *Chemical complexity increases with PET recycling, scientists find*, Food Packaging Forum, 10 December 2025, available at https://foodpackagingforum.org/news/chemical-complexity-increases-with-pet-recycling-scientists-find, last accessed on 16 September 2026.

57 **Annex 3** – Progress in Polyethylene Terephthalate Recycling, pages 5-9.

102. Second, the **supply chains & raw inputs** of rPET and vPET are different as the two products use totally different raw inputs. The production facilities of vPET cannot be used to produce rPET. While the traditional vPET is produced directly from industrial materials PTA and EG (ultimately sourced from crude oil), rPET relies on a supply chain of discarded materials.The raw inputs rPET are generally categorized into two main streams: (1) sorted & baled PET: bales of crushed bottles sorted by color (usually clear, light blue, or colored); and (2) PET flakes. The bales are de-labeled, washed, and shredded into small plastic flakes. Either sorted & baled PET or PET flakes come from post-consumer plastic (used bottles or packaging) or post-industrial scrap generated directly inside manufacturing plants. Therefore, the quality of sorting, cleaning, decontamination, filtration, and other processing steps directly impacts whether high-quality, crystal-clear, food-grade rPET can be obtained and accepted by customers.

103. Third, concerning **sales channels and consumer preferences**, publicly available information consistently identifies recyclability, not quality-equivalence to virgin resin, as the sustainability trait consumers value most globally.[58] Brand owners reinforce this distinction in practice, managing rPET procurement as a separate category with its own standalone, quantified targets distinct from vPET purchasing, as evidenced by Coca-Cola's and PepsiCo's published recycled-content goals and reported progress.[59] rPET's added value for the consumer and brand owner is not merely reputational but also financial. Under the UK Plastic Packaging Tax (***PPT***) (Section 2.1.1 above), packaging with less than 30% recycled content is taxed at £228.82 per tonne, while packaging meeting or exceeding that threshold is exempt. Brand owners incorporating sufficient rPET content therefore avoid this tax altogether, on top of meeting sustainability goals and securing a reputational benefit.

104. As explained above, recycled content destined for food contact applications is subject to additional, process-specific safety assurance that virgin material is never required to undergo. [60] These safety-driven consumer preferences matter precisely because the two products exhibit discernible differences and are not perceived by consumers as interchangeable or homogeneous.

105. Based on the above consideration, sales-channel segmentation between rPET and vPET further confirms that vPET and rPET must be assessed separately. An investigating authority cannot infer that imports in one channel caused injury in another without first isolating their respective effects, since the causal link must reflect a genuine and substantial relationship of cause and effect once the effects of imports have been properly distinguished from other factors,[61] and a market segment warrants such separate treatment precisely where it has a distinct, material bearing on demand and price.[62]

106. In conclusion, the differences highlighted above make it unreasonable to assess the market demand, sales performance, import volume, market shares and other relevant market factors of rPET and vPET together as a whole. For the best interest of the UK market, the examination – and the consequent determination – for rPET and vPET should be conducted, and reached, separately.

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58 McKinsey & Company, *Sustainability in packaging 2025: Inside the minds of global consumers*, June 2025, available at https://www.mckinsey.com/industries/packaging-and-paper/our-insights/sustainability-in-packaging-2025-inside-the-minds-of-global-consumers, last accessed on 16 September 2026, page 2.

59 The Coca-Cola Company, Packaging, available at https://www.coca-colacompany.com/about-us/environment/packaging, last accessed on 16 September 2026, and PepsiCo, Packaging, ESG Topics, available at https://www.pepsico.com/esg-topics/packaging, last accessed on 16 September 2026.

60 **Annex 3** – Progress in Polyethylene Terephthalate Recycling, pages 7, 9.

61 AB Report, US – Wheat Gluten, paras. 67-69.

62 AB Report, US – Wheat Gluten, paras. 58-59.

107. Finally, notwithstanding their classification under the same tariff heading, rPET and vPET must be considered different products and assessed separately in the context of this investigation.

108. A shared tariff classification does not preclude differentiated treatment of rPET and vPET for safeguard purposes. Should the TRA determine that different findings or different safeguard measures are warranted for rPET and vPET respectively, the customs authority retains the ability, under the existing statutory mechanism established by section 8 of the Taxation (Cross-border Trade) Act 2018 – which empowers the Treasury to make regulations classifying goods according to their nature, origin or any other factor and to give codes to goods so classified – to amend or subdivide the existing tariff codes covering the product concerned so as to distinguish rPET from vPET at the point of import.[63]

109. Safeguard measures address objective and 'specific' circumstances affecting a particular product. In light of the material differences between rPET and vPET identified above, the two products plainly cannot be treated as a single product for the purposes of this investigation. Each requirement for the imposition of a safeguard measure must instead be established separately for rPET and for vPET, including the alleged increase in imports, the existence of serious injury, the causal link, and the economic interest test. It follows from the above that the TRA should terminate the investigation due to the serious deficiencies of the Application. Alternatively, should the TRA consider it necessary to proceed with the investigation, a separate legal analysis and different safeguard measures must be undertaken in respect of each of the two products.

2.6 Conclusion

110. At the outset, and in light of the analysis set out above, TITA submits that the safeguard investigation should be terminated, as the legal requirements under the AoS are not met with respect to PET.

111. In addition, since it has been demonstrated above that vPET and rPET are materially different products, TITA submits that the assessment of the legal requisites for a safeguard measure should logically have been carried out separately for each of the two products and that the conditions for imposing any such measure should equally have been considered separately for each.

112. As demonstrated in Section 2.4.2 above, imposing any safeguard measure on rPET would directly undercut the UK's own recycled-content policy embodied in the PPT, which exists specifically to reward the use of recycled plastic content. Such a measure would layer an additional cost on economic operators who are already subject to that tax, while simultaneously removing their access to the imported rPET they need to meet the 30% recycled-content threshold – a result that runs directly counter to the policy the UK itself has adopted.

113. For these reasons, TITA respectfully requests that, at a minimum, the safeguard investigation be terminated with respect to rPET, without the imposition of any safeguard measure on that category, for the reasons set out in Section 2..

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[63] Taxation (Cross-border Trade) Act 2018, c. 22, section 8, available at https://www.legislation.gov.uk/ukpga/2018/22/section/8

3. THE TRA SHOULD, IN ANY EVENT, ALLOCATE A COUNTRY-SPECIFIC QUOTA FOR TAIWAN IN THE CATEGORY OF RPET

114. In the event that the TRA decides to impose safeguard measures, TITA will request that, at a minimum, the TRA allocate a country-specific tariff-rate quota for Taiwan limited to the rPET category.

115. As demonstrated in Section 2.5 above, rPET and vPET must be assessed separately. Once the analysis is properly confined to the rPET category alone, the evidence below shows that Taiwanese producers hold a materially higher and non-negligible share of UK rPET imports, that they supply a grade of rPET which is difficult to replace, and that preserving their access to the UK market is in the interest of UK downstream users. On this basis, TITA submits that, at a minimum, the TRA should allocate a country-specific tariff-rate quota for Taiwan in the rPET category.

3.1.1 Taiwan holds a materially higher, and increasing, share of the UK rPET import market than its share of total PET imports suggests

116. As Taiwan only exports rPET to the UK, the relevant benchmark for a country-specific quota in the rPET category is Taiwan's share of UK rPET imports, not its share of total PET imports. Measured against the correct benchmark, Taiwan's position is far from negligible. rPET volumes were identified by reference to unit price, which is higher for rPET than for vPET.

117. Furthermore, TITA would like to draw TRA's attention to the fact that the imports volume from Taiwan to the UK was far larger than those reported in the Application. According to the official custom records of Taiwan, the export volume of PET from Taiwan to the UK was 4,572 MT in 2025 and 7,633 MT in 2026 (from January to August). Imports from Taiwan represent a much more important role than the numbers currently shown in the UK custom records.

118. As the volumes of Taiwanese rPET recorded as exports to the UK in the Taiwanese customs database are supported by the sales records of Taiwanese producers, TITA relied on the Taiwanese export data, which it considers to be the more accurate.

119. In light of the above, TITA submits that Taiwanese exports of rPET to the UK grew from 110 tonnes in 2021 to approximately 4,572 tonnes in 2025, and reached approximately 7,633 tonnes in the first eight months of 2026 alone, an annualised run-rate of over 11,000 tonnes. Imports of Taiwan stands for 16% of total rPET imports in year 2026.

Table 4. Taiwan's rPET exports to the UK, 2022-2026. Source: UK and Taiwan customs statistics.[64]

Year	Imports from Taiwan	Total rPET Imports	Percentage over the total
2025	4,572 tonnes	114,982 tonnes	4%

[64] **Annex 4** – Customs data.

Year	Imports from Taiwan	Total rPET Imports	Percentage over the total
2026 (Jan-Aug)	7,633 tonnes	48,856 tonnes	16%

120. This growth must be read against the size of the UK rPET market, which is materially smaller than the UK PET market as a whole. As mentioned, UK rPET demand is estimated at approximately 150,000-200,000 tonnes per year, while UK rPET processing capacity is limited to around 85,000 tonnes, of which actual output has been only around 60,000-70,000 tonnes, leaving a structural shortfall of at least 65,000-115,000 tonnes to be met through imports. Against this shortfall, and against the narrower pool of non-EU rPET imports specifically (estimated at approximately 47,700-49,000 tonnes in 2025), Taiwan's exports at their most recent annualised run-rate represent a share in the region of 16% to 25%.

121. A country whose exports represent a share of this magnitude of the UK's rPET import needs is not a marginal supplier that can be treated in the same manner as the dozens of countries that export negligible or incidental volumes of rPET to the UK. Taiwan's position in the rPET category is structurally different, and the TRA should not group Taiwan together with de minimis suppliers when considering whether any country-specific relief is warranted.

3.1.2 Taiwanese PET meets high-quality standards and is essential to the UK market

122. Taiwanese rPET meets high-quality standards recognised at both the technical and commercial level. Taiwanese producers have obtained certification under EN 15343:2007, the European standard concerning the traceability of recycled plastics and verification of recycled content.[65] Taiwanese producers certification covers food-contact-grade rPET pellets and was obtained following an audit and on-site verification by SGS, an internationally recognised independent certification body.[66] The certification confirms the quality and traceability of its recycled PET and supports its supply to European customers.

123. Taiwanese producers' rPET has received equivalent regulatory acceptance in the United States. Far Eastern New Century Corporation, for example, was issued a Letter of No Objection by the US Food and Drug Administration on 12 July 2022, confirming that its post-consumer recycled PET production process is suitable for use in food-contact articles across a broad range of conditions of use.[67]

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65 Far Eastern Group, "FENC Becomes First in Taiwan to Obtain EN 15343 Certification for Recycled PET", 2025, available at https://www.feg.com.tw/en/news/news_detail.aspx?id=12434&utm and **Annex 5** – rPET certifications **[SENSITIVE – Confidential information on company's certifications]**.

66 *Ibidem*.

67 U.S. Food and Drug Administration, "Submissions on Post-Consumer Recycled (PCR) Plastics for Food-Contact Articles," Recycle Number 274, Letter of No Objection issued 12 July 2022 to Far Eastern New Century Corporation, available at https://www.cfsanappsexternal.fda.gov/scripts/fdcc/index.cfm?set=RecycledPlastics.

124. Taiwanese rPET is therefore not simply an alternative, lower-cost source of supply. It is a high-quality product that has been independently verified as meeting the technical, food-contact and traceability requirements applicable in the European and, by extension, UK markets. This is significant because food-grade rPET cannot be used interchangeably in every application. In fact, its suitability depends on feedstock quality, contamination levels, intrinsic viscosity, consistency, food-contact compliance, traceability and customer qualification. Taiwanese suppliers' ability to meet these requirements, evidenced by their EN 15343 certification, confirms that Taiwanese rPET is a technically reliable and commercially accepted source of supply for UK converters and brand owners seeking to meet food-contact and recycled-content requirements.

125. Imports of PET resin from Taiwan into the UK have, moreover, consisted totally of high-quality recycled PET. The imported material has served to sustain UK converters and brand owners in meeting their own recycled-content and sustainability commitments at a time of acknowledged domestic supply shortage, rather than to compete aggressively for market share on price.

126. This quality profile confirms that Taiwanese rPET imports are essential to the UK market rather than merely incidental to it. As demonstrated in Section 2.4.1 above, UK domestic production capacity, even under maximum theoretical operating assumptions, covers only around 56% of UK PET demand, and UK food-grade rPET processing capacity of approximately 85,000 tonnes per year falls well short of the volumes required to meet UK recycled-content obligations under the PPT. Where domestic supply cannot meet demand for certified, food-grade recycled content, UK converters and brand owners necessarily depend on imports of verified, high-quality rPET, such as that supplied by Taiwanese producers, to meet both regulatory requirements and customer specifications that domestically produced material cannot currently satisfy in sufficient volume.

127. Restricting imports of Taiwanese PET would accordingly not further, but would actively harm UK economic interests. Because Taiwanese material is technically qualified for food-contact and recycled-content applications, it cannot readily be replaced by other sources at equivalent quality and short notice. UK customers would either face higher costs to source certified material elsewhere or would be forced to compromise on quality or compliance.

128. Given that UK domestic rPET producers cannot cover the shortfall in supply, a safeguard measure targeting Taiwanese imports would remove a qualified, reliable source of high-quality recycled content precisely when the UK market needs it most, increasing costs for UK converters and brand owners and undermining the UK's own recycled-content and sustainability objectives, without producing any offsetting benefit for the domestic industry, as UK rPET production remains significantly below the level required to meet domestic market demand.

3.1.3 Maintaining Taiwan's access to the UK market preserves healthy competition and diversifies the UK's rPET supply base

129. Aside from the European countries, Taiwan is the only source country stably providing significant volume of rPET to the UK market. Securing a diversified and resilient import network is a strategic imperative to safeguard raw material supply, mitigate geopolitical risks, and ensure uninterrupted production continuity. Restricting Taiwanese imports through an undifferentiated, non-country-specific safeguard measure would concentrate the UK's already import-dependent rPET supply even further on a small number of remaining sources, reducing competition and increasing the UK market's exposure to supply disruption from any single source or region.

130. A country-specific quota calibrated to Taiwan's demonstrated and growing share of the rPET category would allow the TRA to address any injury concerns attributable to the Applicant's own product, vPET, while preserving the diversity of supply that UK rPET users currently rely upon and are likely to need in increasing volumes as recycled-content requirements tighten.

3.1.4 The country-specific quota should be calculated using 2025/2026 data, not a three-year historical average

131. If a tariff rate quota is applied in this investigation, the country-specific quota should be calculated using 2025/2026 import data, not an average of the preceding three years. rPET is a recently-scaled product category and global rPET capacity has changed materially and very recently; a standard trailing average would understate the genuine current supplying positions of rPET industry and would undermine the competition and supply diversification that a representative quota is meant to protect.

132. Neither the UK's domestic safeguards statute nor the WTO Agreement on Safeguards fixes the reference period at three years, and both confirm that departure from a three-year average is permitted where it does not reflect market reality. Article 5.1 of the WTO AoS sets the three-year figure as expressly a reference, not a fixed rule, and is displaceable on "clear justification."[68] Domestically, paragraph 18 of Schedule 5 to the Taxation (Cross-border Trade) Act 2018 requires only that a tariff rate quota recommendation be such as the TRA is satisfied is necessary to remove serious injury; it imposes no fixed historical reference period, and so does not itself constrain the TRA to a three-year average.[69]

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[68] World Trade Organization, *Agreement on Safeguards*, Annex 1A to the Marrakesh Agreement Establishing the World Trade Organization, 15 April 1994, available at https://www.wto.org/english/docs_e/legal_e/25-safeg.pdf, last accessed on 24 September 2026, Article 5.1.

[69] Taxation (Cross-border Trade) Act 2018, c. 22, Schedule 5, paragraph 18, available at https://www.legislation.gov.uk/ukpga/2018/22/schedule/5, last accessed on 24 September 2026.

133. This is confirmed by the comparative practice of the European Union, where in its definitive steel safeguard, the European Commission held that "a tariff-rate quota is not a quantitative restriction under the WTO AoS,[70] and therefore, the Commission is not as such bound to establish the level of the tariff-rate quota... at a level strictly corresponding to the average imports over the last three years"[71]. Similarly, in its citrus fruit safeguard, the Commission excluded the most recent year from the notional three-year reference window because that year was "not considered representative as the safeguard proceedings commenced during that period"[72] confirming that representativeness of the period is the governing test under the same Article 5 standard the UK applies.

134. Applying that standard here, 2025/2026 is the representative period: it captures Taiwan's current supplying position in a market whose scale and structure have shifted materially and recently, whereas an average including earlier years would anchor the quota to a period that no longer reflects the market it is meant to regulate. The TRA should accordingly calculate Taiwan's country-specific quota by reference to 2025/2026 import data.

4. CONCLUSION

135. As demonstrated throughout this submission, the present safeguard investigation is vitiated by serious substantive deficiencies. TITA submits that the safeguard investigation does not fulfil the requirements set forth in the Act, the AoS and the GATT 1994. Indeed, as extensively demonstrated in the previous sections, the prerequisites to apply safeguard measures, as laid down in the WTO and UK rules, are not fulfilled:

- the alleged increase in imports was not recent, sudden, sharp and significant enough to cause, or threaten to cause, serious injury to the domestic industry;
- there are no "unforeseen developments" which resulted in an increase in imports of the products concerned;
- the alleged increase in imports did not cause serious injury to the UK industry;
- the adoption of safeguard measures on the products concerned would not meet the economic interest test; and
- the investigation improperly assesses rPET and vPET on a global basis, whereas each requirement for the imposition of a safeguard measure must be established separately for each product category.

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70 AB Panel Report *US- Line Pipe*, para. 235

71 Commission Implementing Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products, OJ L 31, 1.2.2019, p. 27, available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019R0159, last accessed on 24 September 2026, recital (142).

72 Commission Regulation (EC) No 658/2004 of 7 April 2004 imposing definitive safeguard measures against imports of certain prepared or preserved citrus fruits, OJ L 104, 8.4.2004, p. 67, available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32004R0658, last accessed on 24 September 2026, recital (116).

136. In view of the above, TITA respectfully submits that this safeguard investigation should be promptly terminated in its entirety regarding both vPET and rPET, without the imposition of any safeguard measure on the products concerned. Alternatively, TITA respectfully requests that, at a minimum, the safeguard investigation be terminated with respect to rPET, without the imposition of any safeguard measure on that category.

137. If the TRA decides, however, to proceed with the investigation and to impose safeguard measures, TITA submits that, at a minimum, the TRA should allocate a country-specific tariff-rate quota for Taiwan limited to the rPET category, in light of Taiwan's materially higher and growing share of UK rPET imports, the high quality and EN 15343-certified traceability of Taiwanese rPET, and the importance of preserving a diversified and reliable UK rPET supply base.

138. TITA remains at the TRA's disposal for any additional information or clarification.

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