

G/SG/N/8/GBR/1/Suppl.9 G/SG/N/10/GBR/1/Suppl.16 G/SG/N/11/GBR/1/Suppl.16

19 April 2024

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Committee on Safeguards

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NOTIFICATION PURSUANT TO ARTICLE 12 OF THE AGREEMENT ON SAFEGUARDS

### NOTIFICATION UNDER ARTICLE 9.1, FOOTNOTE 2 OF THE AGREEMENT ON SAFEGUARDS

UNITED KINGDOM

Certain steel products

Supplement

The following communication, dated and received on 19 April 2024, is being circulated at the request of the delegation of the United Kingdom.

Pursuant to Articles 12.1(b), 12.1(c), 9.1 and its footnote of the WTO Agreement on Safeguards, the United Kingdom notifies that the Trade Remedies Authority ("TRA" – the United Kingdom's competent authority) has published on 19 April 2024 its final determination and recommendation in the extension review of the safeguard measure on certain steel products.

The TRA recommended to the Secretary of State for Business and Trade an extension of the safeguard measure until 30 June 2026. The Secretary of State will make a decision on this recommendation in due course.

By way of background, the extension review was initiated on 4 September 2023, as set out in document G/SG/N/6/GBR/1/Suppl.3.

On 21 February 2024, the TRA published its Statement of Intended Final Determination (SIFD) as set out in document <u>G/SG/N/6/GBR/1/Suppl.4 - G/SG/N/8/GBR/1/Suppl.8</u>. The SIFD outlined the TRA's findings up to that date and the recommendation it intended to make to the Secretary of State. This was open to comment from interested parties until 7 March 2024. In making its final determination and recommendation, the TRA took account of further comments following the publication of the SIFD.

The UK continues to invite Members to hold consultations. Details are included in this notification under point 10 below.

Details of the case, including the TRA's Final Determination<sup>1</sup>, can be found on the Trade Remedies Service platform at: <u>https://www.trade-remedies.service.gov.uk/public/case/SE0041/#public-file</u>.

<sup>&</sup>lt;sup>1</sup> The TRA's Final Determination is also available from the WTO Secretariat. To consult it, please contact Ms Anne Richards of the Rules Division (<u>anne.richards@wto.org</u>).

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# **1.** Provide evidence, citing relevant data and the applicable period of investigation of serious injury or threat thereof caused by increased imports.

The period of investigation for the review is 1 April 2018 to 31 March 2023.

The TRA has established that:

- imports of the goods subject to the review in increased quantities is likely to recur if the measure is not extended;
- serious injury has been removed or reduced, in whole or in part due to the application of the measure;
- it is likely that serious injury will recur if the measure is not extended;
- the circumstances of UK producers, or domestic or overseas market conditions, are such that serious injury caused by the importation of the goods subject to the review in increased quantities is likely to recur if the measure is not extended; and
- UK producers are adjusting to increased imports of the goods subject to review since the implementation of the safeguard measure.

The TRA conducted the above increased imports and injury assessments at product category level. The TRA considered the following factors across product categories: global steel overcapacity; trade diversion; production costs; interconnectivity of product categories; profitability, employment, productivity, and capacity utilisation by the domestic industry; and UK industry adjustments. The TRA concluded that these factors were relevant to the likelihood of increased imports or serious injury for every product category covered by the measure. Further details, including evidence and relevant data, can be found in *Section E: Product Category Assessments* of the TRA's Final Determination.

## **2.** Provide information on whether there is an absolute increase in imports or an increase in imports relative to domestic production (please see also Article 2.1 for the context).

See above.

### 3. Provide the precise description of the product involved.

The products subject to this review are certain steel products imported under the following commodity codes:

Product Number	Product Category	UK Global Tariff Commodity Codes
1	Non-alloy and other alloy	72081000, 72082500, 72082600, 72082700, 72083600,
	hot-rolled sheet and strip	72083700, 72083800, 72083900, 72084000, 72085210,
		72085299, 72085310, 72085390, 72085400, 72111300,
		72111400, 72111900, 72126000, 72251910, 72253010,
		72253030, 72253090, 72254015, 72254090, 72261910,
		72269120, 72269191, 72269199
2	Non-alloy and other alloy	72091500, 72091690, 72091790, 72091891, 72092500,
	cold-rolled sheet	72092690, 72092790, 72092890, 72099020, 72099080,
		72112320, 72112330, 72112380, 72112900, 72119020,
		72119080, 72255020, 72255080, 72262000, 72269200
4	Metallic coated sheet	72102000, 72104100, 72104900, 72106100, 7210690020,
		7210690080, 72109080, 72122000, 72123000, 72125020,
		72125030, 72125040, 72125061, 72125069, 72125090,
		72259100, 72259200, 72259900, 72269910, 72269930,
		72269970
5	Organic coated sheet	72107080, 72124080
6	Tin mill products	72091899, 72105000, 72121090, 72101100, 72107010,
		72124020, 72101220, 72109040, 72101280, 72121010

Product Number	Product Category	UK Global Tariff Commodity Codes
7	Non-alloy and other alloy quarto plates	72085120, 72089020, 72254040, 72085191, 72089080, 72254060, 72085198, 72109030, 72085291, 72254012
12A	Alloy merchant bars and light sections	72283020, 72283041, 72283061, 72283069, 72283070, 72283089, 72286020, 72287010
12B	Non-alloy merchant bars and light sections	72143000, 72149110, 72149190, 72149931, 72149939, 72149950, 72149971, 72149979, 72149995, 72159000, 72161000, 72162100, 72162200, 72164010, 72164090, 72165010, 72165091, 72165099, 72169900
13	Rebar	72142000, 72149910
16	Non-alloy and other alloy wire rod	72131000, 72139149, 72271000, 72132000, 72139170, 72272000, 72139110, 72139190, 72279010, 72139120, 72139910, 72279050, 72139141, 72139990, 72279095
17	Angles, shapes, and sections of iron or non- alloy steel	72163110, 72163219, 72163310, 72163190, 72163291, 72163390, 72163211, 72163299
19	Railway material	73021022, 73021028, 73021050
20	Gas pipe	73063041, 73063049, 73063072, 73063077
21	Hollow section	73066110, 73066192, 73066199
25A	Large welded tube (1)	73051100, 73051200
25B	Large welded tube (2)	73051900, 73052000, 73053100, 73053900, 73059000
26	Other welded tube	73061100, 73061900, 73062100, 73062900, 73063012, 73063018, 73063080, 73064020, 73064080, 73065021, 73065029, 73065080, 73066910, 73066990, 73069000

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### 4. Provide a precise description of the proposed measure.

The TRA's Final Determination recommends to the Secretary of State for Business and Trade that the safeguard measure be extended across all product categories for a period of two years, from 1 July 2024 to 30 June 2026, which is necessary to prevent serious injury and facilitate adjustment by UK producers. The Secretary of State will make a decision on this recommendation in due course.

The Annex sets out the recommended measure.

### 5. Provide proposed date of extension of the measure.

As above.

### 6. Provide expected duration of the measure.

As above.

#### 7. Provide expected timetable for progressive liberalisation of the measure.

The TRA recommends that the pace of liberalisation should remain at 3% per annum. The Secretary of State will make a decision on this recommendation in due course.

### 8. Provide:

### (a) Evidence that the industry concerned is adjusting and that the safeguard measure continues to be necessary to prevent or remedy serious injury;

Further to adjustment plans the TRA assessed in previous reviews of the measure, the TRA received and authenticated updated adjustment plans for the UK industry for this extension review. The adjustment plans are ongoing and have not yet been completed. UK industry submitted that they require additional time to continue their adjustment. These plans are generally confidential by their nature, and include actions that have already commenced, investments that are in progress and plans to ensure competitiveness. They largely relate to developments in working practices, new technology, or a changing of market position to

ensure competitiveness with imported goods. The TRA authenticated these adjustment plans, as per the authentication reports on the public file, and determined that adjustments are, and have been, taking place.

It is also clear with reference to public sources that the UK industry is adjusting, with producers closing coke ovens, investing in new technology, restructuring operations and increasing vertical integration of supply chains. These adjustments are related to, and are likely to have a direct effect on, the production of the like goods.

The TRA therefore determined that UK industry is adjusting. It also determined that the importation of goods in increased quantities and serious injury are likely to recur if the measure is not extended. Further details, including evidence and relevant data, can be found in *Section E: Product Category Assessments* of the TRA's Final Determination.

The TRA concluded that an extension of the safeguard measure is necessary to prevent serious injury and facilitate adjustment.

# (b) reference to the WTO document that notified the initial application of the measure;

This notification is in relation to the safeguard measure imposed by the European Union, on behalf of Member States, including the United Kingdom. The measure was provisionally applied from 19 July 2018, and was notified under document G/SG/N/7/EU/1 - G/SG/N/11/EU/1. The definitive measure applied from 2 February 2019, and was notified under document G/SG/N/8/EU/1 - G/SG/N/10/EU/1 - G/SG/11/EU/1/Suppl.1. The United Kingdom's transition review of the measure, following its withdrawal from the European Union, was initiated on 1 October 2020, as notified under document G/SG/N/6/GBR/1.

## (c) duration of the measure from initial application till the date at which it will be extended;

The initial application of the measure commenced in July 2018 with a provisional measure. The TRA recommends extending the measure until 30 June 2026. The Secretary of State will make a decision on this recommendation in due course.

#### (d) precise description of the measure in place prior to the date of extension.

The measure is currently in place as per document <u>G/SG/N/10/GBR/1/Suppl.14</u> - <u>G/SG/N/11/GBR/1/Suppl.14</u>.

## **9.** If the notification relates to a decision to apply or extend a safeguard measure, provide:

#### (a) the major exporting Members of imports of the product involved;

The UK considers major exporting countries to be those who have a significant supplying interest.

#### (b) if there are any exporting Members to which the measure does not apply for any reason other than the application of Article 9.1, the names of such exporting Members and reasons for non-application of the measure

Subject to the Secretary of State's decision on the TRA's recommendation, the measure would not apply to developing countries who benefit from an exemption under the UK's Economic Partnership Agreements. See table 5 of the Annex.

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# **10.** Provide information regarding procedures for prior consultations with those Members having a substantial interest as exporters of the product concerned.

Members who wish to consult with the United Kingdom may make a request through the UK Mission in Geneva and agree a mutually convenient time and date to hold consultations. These consultations will be held via MS Teams and will be conducted in accordance with Article 12.3 of the Agreement on Safeguards.

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### ANNEX

*Table 1: Quarterly volumes of country and residual tariff-rate quotas (in tonnes) for 1 July 2024 to 30 June 2025* 

Product	Country/Area	01/07/2024 To	01/10/2024 To	01/01/2025 To	01/04/2025 To
category	country//iicu	30/09/2024	31/12/2024	31/03/2025	30/06/2025
1	EU	187,484		183,409	185,446
-	Türkiye	24,616			24,349
	Chinese Taipei	13,704			13,556
	Residual	23,587		23,074	23,331
2	EU	81,065		79,303	80,184
	India	9,969	9,969	9,752	9,860
	Republic of Korea	11,925		11,666	11,795
	Residual	25,296		24,746	25,021
4	EU	323,830		316,790	320,310
	Chinese Taipei	33,480	33,480	32,752	33,116
	India	24,727	24,727	24,189	24,458
	Türkiye	24,657	24,657	24,121	24,389
	Residual	85,509		83,651	84,580
5	EU	36,647	36,647	35,850	36,248
	Republic of Korea	14,892	14,892	14,568	14,730
	Residual	2,226		2,178	2,202
6	EU	31,954		31,259	31,606
	China	8,113		7,936	8,024
	Chinese Taipei	2,649		2,592	2,620
	Republic of Korea	2,515		2,460	2,487
	Residual	1,084		1,061	1,072
7	EU	71,107	71,107	69,561	70,334
	Residual	25,376		24,824	25,100
12A	EU	29,488		28,847	29,168
100	Residual	4,242		4,149	4,196
12B	EU	35,423		34,653	35,038
	Türkiye	13,333		13,043	13,188
10	Residual	7,577	7,577	7,412	7,494
13	EU	74,447	74,447	72,829	73,638
	Türkiye	35,269		34,503	34,886
10	Residual	24,013		23,491	23,752
16	EU Residual	74,946 3,272		73,316 3,201	74,131 3,237
17	EU	170,645		166,935	168,790
17	Residual	17,735		17,349	17,542
19	EU	4,792		4,688	4,740
19	Residual	141	141	138	139
20	EU	7,072		6,918	6,995
20	India	3,636		3,557	3,596
	UAE	2,410		2,358	2,384
	Türkiye	15,712		15,371	15,542
	Residual	739		=	
21	EU	11,321		11,075	
	Türkiye	37,298			36,893
	Residual	3,442		3,367	3,404
25A	EU	6,327		6,189	6,258
	Republic of Korea	1,264		1,236	1,250
	Japan	8,268		8,089	8,178
	Residual	2,230		2,182	2,206
25B	EU	16,274		15,920	16,097
	Japan	2,049		2,005	2,027
	Republic of Korea	4,677		4,575	4,626
	Residual	4,933		4,826	4,880
26	EU	22,797		22,301	22,549
	Türkiye	11,129		10,887	11,008
	China	5,854		5,727	5,791
	UAE	15,320		14,987	15,154
	Residual	10,108			9,998

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Product	Country/Area	01/07/2025 To	01/10/2025 To	01/01/2026 To	01/04/2026 To
category		30/09/2025	31/12/2025	31/03/2026	30/06/2026
1	EU	193,109	193,109	188,911	191,010
	Türkiye	25,355	25,355		
	Chinese Taipei	14,116	14,116		13,962
-	Residual	24,295	24,295	23,766	24,030
2	EU	83,497	83,497	81,682	82,590
	India	10,268	10,268	10,045	10,156
	Republic of Korea	12,283	12,283		
4	Residual	26,055	26,055		25,771
4	EU Chinese Tainai	333,545	333,545	326,294	329,919
	Chinese Taipei India	34,484 25,468	34,484	33,734 24,915	34,109
	Türkiye	25,468	25,468 25,397	24,915	25,192 25,121
	Residual	88,075	88,075	86,160	87,117
5	EU	37,746	37,746		37,336
5	Republic of Korea	15,339	15,339		15,172
	Residual	2,293	2,293	2,243	2,268
6	EU	32,912	32,912		32,555
	China	8,356	8,356	8,174	8,265
	Chinese Taipei	2,729	2,729	2,669	2,699
	Republic of Korea	2,590	2,590	2,534	2,562
	Residual	1,117	1,117	1,092	1,105
7	EU	73,240	73,240	71,648	72,444
	Residual	26,137	26,137	25,569	25,853
12A	EU	30,373	30,373	29,713	30,043
	Residual	4,369	4,369	4,274	4,321
12B	EU	36,485	36,485	35,692	36,089
	Türkiye	13,733	13,733	13,434	13,583
	Residual	7,804	7,804		7,719
13	EU	76,681	76,681	75,014	75,847
	Türkiye	36,327	36,327	35,538	35,933
	Residual	24,734	24,734	24,196	24,465
16	EU	77,194	77,194	75,516	76,355
17	Residual	3,370	3,370	3,297	3,334
17	EU	175,764	175,764		173,854
10	Residual	18,267	18,267	17,869	18,068
19	EU	4,936	4,936 145	4,829	4,883
20	Residual EU	145		142	144
20	EU India	7,284	7,284	7,126	7,205
	UAE	2,483	2,483	2,429	2,456
	Türkiye	16,184	16,184	15,832	16,008
	Residual	761	761		
21	EU	11,661	11,661	11,407	11,534
- <b>-</b>	Türkiye	38,417	38,417	37,582	38,000
-	Residual	3,545	3,545		
25A	EU	6,516			
-	Republic of Korea	1,302	1,302		1,288
	Japan	8,516	8,516		8,424
	Residual	2,297	2,297	2,247	2,272
25B	EU	16,762	16,762		16,580
	Japan	2,111	2,111	2,065	
	Republic of Korea	4,817	4,817	4,713	4,765
	Residual	5,081	5,081	4,971	5,026
26	EU	23,481	23,481	22,971	23,226
	Türkiye	11,463	11,463		11,338
	China	6,030	6,030		
	UAE	15,780	15,780		
	Residual	10,411	10,411	10,185	10,298

Table 2: Quarterly volumes of country and residual tariff-rate quotas (in tonnes) for 1 July 2025 to 30 June 2026

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*Table 3: Developing countries considered for the purposes of Article 9.1 of the Safeguards Agreement* 

### List of Developing Countries

Afghanistan; Albania; Angola; Antigua and Barbuda; Argentina; Armenia; Bahrain; Bangladesh; Barbados; Belize; Benin; Bolivia; Botswana; Brazil; Brunei Darussalam; Burkina Faso; Burundi; Cabo Verde; Cambodia; Cameroon; Central African Republic; Chad; Chile; China; Colombia; Congo; Costa Rica; Côte d'Ivoire; Cuba; Democratic Republic of the Congo; Djibouti; Dominica; Dominican Republic; Ecuador; Egypt; El Salvador; Eswatini; Fiji; Gabon; Gambia; Georgia; Ghana; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Honduras; Hong Kong, China; India; Indonesia; Jamaica; Jordan; Kazakhstan; Kenya; Kuwait; Kyrgyz Republic; Lao People's Democratic Republic; Lesotho; Liberia; Macao, China; Madagascar; Malawi; Malaysia; Maldives; Mali; Mauritania; Mauritius; Mexico; Moldova; Mongolia; Montenegro; Morocco; Mozambique; Myanmar; Namibia; Nepal; Nicaragua; Niger; Nigeria; North Macedonia; Oman; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Qatar; Rwanda; Saint Christopher (Kitts) and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; Saudi Arabia; Senegal; Seychelles; Sierra Leone; Solomon Islands; South Africa; Sri Lanka; Suriname; Tajikistan; Tanzania; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Türkiye; Uganda; Ukraine; UAE; Uruguay; Vanuatu; Venezuela; Viet Nam; Yemen; Zambia; Zimbabwe.

Table	4:	Developing	country	non-exemptions	by	product	category,	based	on	January-
Decem	iber	2022 import	share							

Product Category	Country Specific Quota	Residual Quota
1	Türkiye	India
2	India	Brazil, Tunisia
4	India, Türkiye	Viet Nam
5		Viet Nam, India
6	China	Türkiye
7		India, Türkiye
12A		China
12B	Türkiye	China
13	Türkiye	Egypt, Malaysia, India
16		Türkiye
17		Türkiye, Bahrain, India
19		
20	Türkiye, India, UAE	
21	Türkiye	UAE
25A		China
25B		Türkiye, Brazil
26	Türkiye, UAE, China	India

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Agreement	Countries covered
UK-Kenya EPA	Kenya
UK-CARIFORUM EPA	Antigua and Barbuda Barbados Belize The Commonwealth of the Bahamas The Commonwealth of Dominica The Dominican Republic Grenada The Republic of Guyana Jamaica Saint Christopher (Kitts) and Nevis Saint Lucia Saint Lucia The Republic of Suriname The Republic of Trinidad and Tobago

Table 5: EPA/FTA partners with a current global safeguard exemption