

The Rt Hon Jonathan Reynolds MP Secretary of State for Business & Trade President of the Board of Trade Department for Business and Trade Old Admiralty Building Admiralty Place Whitehall London SW1A 2DY

Nick Baird Chair Trade Remedies Authority

By email: nick.baird@traderemedies.gov.uk

T: +44 (0) 020 4551 0011 E: <u>Reynolds.Correspondence@businessandtrade.gov.uk</u> W: <u>www.gov.uk</u>

24 June 2025

Dear Nick,

Thank you for the Trade Remedies Authority's recommendation regarding the tariff-rate quota review of the steel safeguard measure.

I am writing to make you aware of my intended decision to reject the recommendation and to take a different decision.

In making this intended decision I considered the evidence contained within the recommendation and wider matters in the public interest, including the UK's obligations under the relevant World Trade Organization (WTO) Agreement. The reason is to ensure the overall effectiveness of the UK's steel safeguard measure for domestic producers whilst balancing the need for security of supply for the UK market in line with traditional trade flows.

I have decided to:

- Increase the overall volume of each category's tariff-rate quota by 0.1% from 1 July 2025.
- Apply a 15% cap in the residual quota of category 4 and a 20% cap in the residual quotas of categories 7 and 13 to ensure that UK imports from exporting countries are more closely aligned with traditional trade flows, effective from 1 July 2025.

I have also decided to amend the allocation of the tariff-rate quotas as below, in line with the recommendation of the Trade Remedies Authority:

- Prevent any unused quarterly quotas from being made available in the following quarter.
- Prevent WTO Members with a country-specific quota from being able to access the residual quota in the final quarter.
- Update developing country exemptions based on UK import data for the period 1 January 2024 to 31 December 2024 and in line with the WTO Agreement on Safeguards.

I will now provide the opportunity for WTO Members to share their perspectives on my intended decision.

Yours sincerely,

Keynolds

THE RT HON JONATHAN REYNOLDS MP Secretary of State for Business & Trade and President of the Board of Trade



G/SG/N/10/GBR/1/Suppl.26 G/SG/N/11/GBR/1/Suppl.21

24 June 2025

Page: 1/6

Committee on Safeguards

(25-4106)

Original: English

NOTIFICATION PURSUANT TO ARTICLE 12 OF THE AGREEMENT ON SAFEGUARDS

NOTIFICATION PURSUANT TO ARTICLE 9.1, FOOTNOTE 2 OF THE AGREEMENT ON SAFEGUARDS

UNITED KINGDOM

Certain steel products

Supplement

The following communication, dated and received on 24 June 2025, is being circulated at the request of the delegation of the United Kingdom.

Pursuant to Articles 12 and 9.1 and its footnote of the WTO Agreement on Safeguards, the United Kingdom notifies that the Secretary of State for Business and Trade intends to vary the safeguard measure on certain steel products as set out in this notification.

By way of background, on 28 February 2025 the Trade Remedies Authority (TRA) initiated a 'Tariff Rate Quota' (TRQ) review relating to the Developing Country Exemptions (DCEs) to the safeguard measure on certain steel products as set out in document <u>G/SG/N/10/GBR/1/Suppl.23</u>.

On 26 March 2025, the TRA amended its notice of initiation to expand the scope of the review to account for a change of circumstances, as set out in document G/SG/N/10/GBR/1/Suppl.24.

On 13 May 2025, the TRA published its initial conclusions in its Statement of Intended Final Determination (SIFD) as set out in document G/SG/N/10/GBR/1/Suppl.25. This was open to comment from interested parties until 26 May 2025, which the TRA considered when making its recommendation to the Secretary of State.

On 24 June 2025, the Secretary of State wrote to the TRA setting out his intended final decision. More details on the TRQ review, including the TRA's Recommendation and the Secretary of State's intended decision¹ can be found on the Trade Remedies Service platform at: <u>https://www.trade-remedies.service.gov.uk/public/case/TQ0066/</u>

The UK welcomes bilateral engagement with Members on the matter prior to any decision being implemented. We invite interested Members to reach out to the UK Mission in the first instance.

¹ These documents are also available from the WTO Secretariat. To consult them, please contact Ms Anne Richards of the Rules Division (<u>anne.richards@wto.org</u>).

1. Provide the precise description of the product(s) involved.

The product is certain steel products. Table 1 of the Annex contains a full description of the product categories and UK Global Tariff commodity codes.

2. Provide precise description of the adjustments

On 24 June 2025, the Secretary of State wrote to the TRA setting out his intended decision to amend the TRQ allocation in the following ways:

- The pace of liberalisation of the measure will be reduced from 3%, to 0.1% effective from 1 July 2025.
- Country-specific caps will be imposed on the residual quotas of categories 4 (metallic coated sheet), 7 (non-alloy and other alloy quarto plates), and 13 (rebar) from 1 July. These caps will be 15% for category 4, and 20% for categories 7 and 13.
- Unused quotas will no longer be made available in the following quarter, removing the carry-over of facility.
- Countries with a country specific quota will no longer have access to the residual quota in the final quarter.
- The Secretary of State intends to update the list of developing countries not benefiting from an exemption to reflect UK import data for the period 1 January 2024 to 31 December 2024 in line with Article 9.1 of the Agreement on Safeguards.

The Secretary of State's intended decision is to ensure the overall effectiveness of the UK's steel safeguard measure for domestic producers whilst balancing the need for security of supply for the UK market in line with traditional trade flows.

For further information on the Secretary of State's intended decision, please consult the public file: <u>https://www.trade-remedies.service.gov.uk/public/case/TQ0066/</u>

Table 2 of the Annex set out the final quota amounts and allocations effective from 1 July 2025.

Table 3 sets out the changes to the list of developing countries benefiting from an exemption effective from 1 July 2025.

Table 4 outlines the developing countries exempt from the safeguard measure as EPA partners and not included in this review.

3. Provide proposed date or actual date of introduction of the adjustments.

The adjustments are intended to enter into effect on 1 July 2025.

- 3 -

ANNEX

Table 1. Goods subject to review

Product Number	Product Category	UK Global Tariff Commodity Codes
1A	Non-alloy and other alloy hot-rolled sheet and strip	72081000, 72082500, 72082600, 72082700, 72083600, 72083700, 72083800, 72083900, 72084000, 72085210, 72085299, 72085310, 72085390, 72085400, 72111300, 72111400, 72111900, 72126000, 72251910, 72253010, 72253030, 72253090, 72254015, 72254090, 72261910, 72269120, 72269191, 72269199
1B	Non-alloy and other alloy hot-rolled sheet and strip (authorised use)	72081000, 72082500, 72082600, 72082700, 72083600, 72083700, 72083800, 72083900, 72084000, 72085210, 72085299, 72085310, 72085390, 72085400, 72111300, 72111400, 72111900, 72126000, 72251910, 72253010, 72253030, 72253090, 72254015, 72254090, 72261910, 72269120, 72269191, 72269199
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
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

- 4 -

Table 2. Proposed quota amounts and allocations by country and territory for year 8 of the safeguard measure, from 1 July 2025 to 30 June 2026.

Product category	Country or territory	Quarter 1 (in tonnes) 01/07/2025 to 30/09/2025	Quarter 2 (in tonnes) 01/10/2025 to 31/12/2025	Quarter 3 (in tonnes) 01/01/2026 to 31/03/2026	Quarter 4 (in tonnes) 01/04/2026 to 30/06/2026
1A	EU	187,671	187,671	183,592	185,631
	Türkiye	24,641	24,641	24,105	24,373
	Chinese Taipei	13,718	13,718	13,420	13,570
	Residual	23,611	23,611	23,097	23,354
1B	Global – 40% cap for any individual exporting country	579,166	579,166	566,579	572,874
	Total global quota	231,666	231,666	226,631	229,150
4	EU	324,154	324,154	317,107	320,630
	Chinese Taipei	33,513	33,513	32,785	33,149
	India	24,752	24,752	24,213	24,482
	Türkiye	24,682	24,682	24,145	24,413
	Residual	85,595	85,595	83,735	84,665
	Residual 15% cap for any individual exporting country	12,839	12,839	12,560	12,700
5	EU	36,684	36,684	35,886	36,284
	Republic of Korea	14,907	14,907	14,583	14,745
	Residual	2,228	2,228	2,180	2,204
6	EU	31,986	31,986	31,290	31,638
	China	8,121	8,121	7,944	8,032
	Chinese Taipei	2,652	2,652	2,595	2,623
	Republic of Korea	2,518	2,518	2,462	2,489
	Residual	1,085	1,085	1,062	1,073
7	EU	71,178	71,178	69,631	70,404
	Residual	25,401	25,401	24,849	25,125
	Residual 15% cap for any individual exporting country	5,080	5,080	4,970	5,025
12A	EU	29,517	29,517	28,876	29,197
	Residual	4,246	4,246	4,153	4,200
12B	EU	35,458	35,458	34,688	35,073
	Türkiye	13,346	13,346	13,056	13,201
	Residual	7,585	7,585	7,419	7,501
13	EU	74,521	74,521	72,902	73,712
	Türkiye	35,304	35,304	34,538	34,921
	Residual	24,037	24,037	23,514	23,776
	Residual 15% cap for any individual exporting country	4,807	4,807	4,703	4,755
16	EU	75,021	75,021	73,389	74,205
	Residual	3,275	3,275	3,204	3,240

Product category	Country or territory	Quarter 1 (in tonnes) 01/07/2025 to	Quarter 2 (in tonnes) 01/10/2025 to	Quarter 3 (in tonnes) 01/01/2026 to	Quarter 4 (in tonnes) 01/04/2026 to
		30/09/2025	31/12/2025	31/03/2026	30/06/2026
17	EU	170,816	170,816	167,102	168,959
	Residual	17,753	17,753	17,366	17,560
19	EU	4,797	4,797	4,693	4,745
	Residual	141	141	138	139
20	EU	7,079	7,079	6,925	7,002
	India	3,640	3,640	3,561	3,600
	UAE	2,412	2,412	2,360	2,386
	Türkiye	15,728	15,728	15,386	15,558
	Residual	740	740	724	732
21	EU	11,332	11,332	11,086	11,209
	Türkiye	37,335	37,335	36,524	36,930
	Residual	3,445	3,445	3,370	3,407
25A	EU	6,333	6,333	6,195	6,264
	Republic of Korea	1,265	1,265	1,237	1,251
	Japan	8,276	8,276	8,097	8,186
	Residual	2,232	2,232	2,184	2,208
25B	EU	16,290	16,290	15,936	16,113
	Japan	2,051	2,051	2,007	2,029
	Republic of Korea	4,682	4,682	4,580	4,631
	Residual	4,938	4,938	4,831	4,885
26	EU	22,820	22,820	22,323	22,572
	Türkiye	11,140	11,140	10,898	11,019
	China	5,860	5,860	5,733	5,797
	UAE	15,335	15,335	15,002	15,169
	Residual	10,118	10,118	9,898	10,008

- 5 -

Table 3. Developing Country Exemption (DCE) changes coming into effect from 1 July 2025. The changes highlighted in this table are only the changes to the TRQ quotas in relation to the DCE. Quotas not listed remain as they currently are.

Product Category	Country	Current allocation until 1 July 2025 (import share January 2022 - December 2022)	Allocation from 1 July 2025 (import share January 2024 - December 2024)
1A	Viet Nam	Excepted (0%)	Residual (4.3%)
1B	Viet Nam	Excepted (0%)	Global quota (4.3%)
4	Türkiye	Country (6.8%)	Excepted (0.1%)
5	India	Residual (4.9%)	Excepted (0.6%)
5	Viet Nam	Residual (8.7%)	Excepted (2.2%)
6	Türkiye	Residual (7.5%)	Excepted (1.9%)
7	Ukraine	Country (1%)	Excepted (0%)
7	India	Residual (5.4%)	Excepted (0.2%)
7	Türkiye	Residual (4.1%)	Excepted (2.5%)
12A	China	Residual (4.6%)	Excepted (2.6%)
12B	China	Residual (5.7%)	Excepted (2.1%)
13	India	Residual (3.0%)	Excepted (0%)
13	Malaysia	Residual (4.0%)	Excepted (0%)
16	Ukraine	Residual (0%)	Excepted (0%)
17	Bahrain	Residual (4.7%)	Excepted (0%)
17	India	Residual (3.7%)	Excepted (0%)
20	UAE	Country (5.4%)	Excepted (2.8%)
25B	Brazil	Residual (3.2%)	Excepted (0.8%)
25B	Türkiye	Residual (12.0%)	Excepted (0.1%)
25B	China	Excepted (0%)	Residual (3.4%)

Table 4. Developing countries exempt from the safeguard measure as EPA partners and not included in this review

EPA	Countries
CARIFORUM	Antigua and Barbuda, Barbados, Belize, the Bahamas ² , Dominica, Dominican Republic, Grenada, Guyana, Jamaica, Saint Christopher (Kitts) and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago
Kenya	Kenya

² Note that the Bahamas is not a developing country.