

G/SG/N/10/GBR/1/Suppl.25 G/SG/N/11/GBR/1/Suppl.20

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Committee on Safeguards

NOTIFICATION PURSUANT TO ARTICLE 12.1(C) 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 14 May 2025, is being circulated at the request of the delegation of the United Kingdom.

Pursuant to Articles 12.1(c) and 9.1 footnote 2 of the WTO Agreement on Safeguards, the United Kingdom notifies proposed changes to the exemption status of developing country Members from the safeguard measure on certain steel products, in addition to proposed changes to the quota to which certain steel products are subject should be varied, as part of a tariff rate quota (TRQ) review by the Trade Remedies Authority ("TRA" – the United Kingdom's competent authority).

The review was initiated on 28 February 2025 as set out in document G/SG/N/10/GBR/1/Suppl.23.

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 <u>G/SG/N/10/GBR/1/Suppl.24</u>.

On 13 May 2025, the TRA published its initial conclusions in its Statement of Intended Final Determination (SIFD) on the Trade Remedies Service platform here: https://www.trade-remedies.service.gov.uk/public/case/TQ0066/submission/54c62e25-982b-478c-bbe1-9f6380eeeea4/.

This notification includes an invitation to hold consultations in accordance with Article 12.3 of the Agreement on Safeguards.

Further details on the review and a copy of the notice of initiation and amended notice of initiation can be found on the Trade Remedies Service public file for the TRQ review: https://www.trade-remedies.service.gov.uk/public/case/TO0066/#public-file

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.

¹ The document is also available from the WTO Secretariat. To consult it, please contact Ms Anne Richards of the Rules Division (anne.richards@wto.org).

- 2. If there is a change in the list of developing countries exempted from the safeguard measure pursuant to Article 9.1, please notify:
 - the reference to the WTO document that notified the Members about the initial action under footnote 2 to Article 9.1;

The most recent relevant document is <u>G/SG/N/10/GBR/1/Suppl.24</u>.

b. if applicable, names of the countries which are dropped from the list of developing countries to which the safeguard measure does not apply pursuant to Article 9.1, the list of the countries remaining on the list, the individual and collective import shares of the developing countries remaining on the list, and the date on which the safeguard measure applies to the countries dropped from the list;

See below and Annex.

c. if applicable, names of the countries which are added to the list of developing countries to which the safeguard measure does not apply pursuant to Article 9.1, the list of all the countries on the list, the individual and collective import shares of the developing countries on the list, and the date from which the safeguard measure does not apply to the countries which are added to the list.

The TRA has considered whether the TRQ to which certain steel products are subject should be varied in view of a change in circumstances, namely that the TRQ, or any part of the quota, has been exhausted, and there has been a change in demand for the relevant goods.

The TRA assessed that six developing countries (Viet Nam, China, India, the United Arab Emirates, Egypt and Türkiye) should no longer be exempted from the measure because their import share exceeded the 3% threshold during the period of investigation (POI) of 1 January 2024 to 31 December 2024, relative to the representative period for assessing traditional trade flows of 2017-2019.

The TRA has also used His Majesty's Revenue and Customs (HMRC) data to assess that the residual quotas of steel categories 5, 16, 17 and 21 were exhausted in at least one quarter of the POI. Several other categories of steel also experienced a high rate of utilisation during the POI.

The TRA has additionally assessed that there has been a significant change in demand for the steel globally and in the UK that constitutes a change of circumstances sufficient to assess whether the TRQ may be varied in a way that responds to pressures faced by the UK steel industry.

The TRA's intended final recommendation is to vary the tariff rate quota as follows:

- Unused quotas should no longer be made available in the following quarter (removal of carry-over facility);
- Countries with a country-specific quota should no longer have access to the residual quota in the final quarter;
- From 1 October 2025, caps should be imposed on the residual quotas in the following categories:
 - 1. Category 4: 40%
 - 2. Category 7: 40%
 - 3. Category 13: 40% and
- Update the developing country non-exemptions list as set out in Table 3.

For further details on the TRA's intended final recommendation, please use the TRA's <u>public file</u> (<u>https://www.trade-remedies.service.gov.uk/public/case/TQ0066/submission/54c62e25-982b-478c-bbe1-9f6380eeeea4/</u>).

Table 2 lists all developing countries exempt from the safeguard measure as Economic Partnership Agreement partners and not included in this review.

Table 3 of the Annex lists all non-exempt developing countries by product categories, based on 2024 import shares. Developing countries not in this table who are not already exempted through an FTA, will benefit from the developing country exemptions.

Table 4 lists those developing countries whose status has changed following this review. Quotas not listed remain as they currently are.

Table 5 sets out proposed amendments to the country specific and tariff-rate quotas.

3. Procedures relevant to the review, including invitation to WTO Members to hold consultations.

Interested parties can submit comments on the SIFD by 23:59 UK time on 26 May 2025 via the Trade Remedies Service

(https://www.trade-remedies.service.gov.uk/accounts/login/?next=/dashboard/) or by email to TQ0066@traderemedies.gov.uk. Submissions must be accompanied by a non-confidential version or summary for the public file.

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

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)	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	
12A	Alloy merchant bars and light sections	
12B	Non-alloy merchant bars and light sections	
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

Table 2. 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

Table 3. Developing country non-exemptions by product category, based on January-December 2024 import share

Product category	Country Specific Quota	l import share) Residual Quota	
1A	Türkiye (6.4%)	India (16.5%)** Viet Nam (4.3%)**	
1B*	N/A	Türkiye** India** Viet Nam**	
4	India (13.1%)	Viet Nam (19.1%)	
5	N/A	N/A	
6	China (62.0%)	N/A	
7	N/A	N/A	
12A	N/A	N/A	
12B	Türkiye (30.6%)	N/A	
13	Türkiye (24.0%)	Egypt (3.3%)	
16	N/A	Türkiye (3.3%)	
17	N/A	Türkiye (5.7%)	
19	N/A	N/A	
20	India (17.0%) Türkiye (51.8%)		
21	Türkiye (66.9%)	UAE (6.5%)	
25A		China (13.0%)	
25B		China (3.4%)	
26	UAE (12.7%) China (15.0%) Türkiye (22.5%)	India (4.2%)	

^{*}Countries in the residual quota column for Category 1B have access to the global quota

** These percentages relate to the import share of Category 1 as a whole. The approach to assigning quota allocations is explained in more detail above in paragraphs 98-102.

² Note that the Bahamas is not a developing country.

Table 4: Specific proposed changes to developing countries allocations. 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 (import share January 2022- December 2022)	Proposed allocation (import share January 2024 - December 2024)
1A	Viet Nam	Exempted (0%)	Residual (4.3%)
1B	Viet Nam	Exempted (0%)	Global quota (4.3%)
4	Türkiye	Country (6.8%)	Exempted (0.1%)
5	India	Residual (4.9%)	Exempted (0.6%)
5	Viet Nam	Residual (8.7%)	Exempted (2.2%)
6	Türkiye	Residual (7.5%)	Exempted (1.9%)
7	Ukraine*	Country (1%)	Exempted (0%)
7	India	Residual (5.4%)	Exempted (0.2%)
7	Türkiye	Residual (4.1%)	Exempted (2.5%)
12A	China	Residual (4.6%)	Exempted (2.6%)
12B	China	Residual (5.7%)	Exempted (2.1%)
13	India	Residual (3.0%)	Exempted (0%)
13	Malaysia	Residual (4.0%)	Exempted (0%)
16	Ukraine*	Residual (0%)	Exempted (0%)
17	Bahrain	Residual (4.7%)	Exempted (0%)
17	India	Residual (3.7%)	Exempted (0%)
20	UAE	Country (5.4%)	Exempted (2.8%)
25B	Brazil	Residual (3.2%)	Exempted (0.8%)
25B	Türkiye	Residual (12.0%)	Exempted (0.1%)
25B	China	Exempted (0%)	Residual (3.4%)

^{*} The safeguard measure continues to be suspended for goods originating in Ukraine until 30 June 2026.

Table 5: Proposed Tariff Rate Quotas, quarterly volumes of country and residual tariff-rate quotas (in tonnes) 01 July 2025 – 30 June 2026.

Product	Country	01/07/2025	01/10/2025	01/01/2026	01/04/2026
category		to 30/09/2025	to 31/12/2025	to 31/03/2026	to 30/06/2026
1A	EU	193,109	193,109	188,911	191,010
	Türkiye	25,355	25,355	24,804	25,079
	Chinese Taipei	14,116	14,116	13,809	13,962
	Residual	24,295	24,295	23,766	24,030
	Total	256,875	256,875	251,290	254,081
1B	40% cap	238,380	238,380	233,197	235,787
	Total	595,950	595,950	582,993	589,468
4	EU	333,545	333,545	326,294	329,919
	Chinese Taipei	34,484	34,484	33,734	34,109
	India	25,468	25,468	24,915	25,192
	Residual	88,075	88,075	86,160	87,117
	Total	481,572	481,572	471,103	476,337
5	EU	37,746	37,746	36,925	37,336
	Republic of Korea	15,339	15,339	15,005	15,172
	Residual	2,293	2,293	2,243	2,268
	Total	55,378	55,378	54,173	54,776
6	EU	32,912	32,912	32,197	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
	Total	47,704	47,704	46,666	47,186
7	EU	73,240	73,240	71,648	72,444
	Residual	26,137	26,137	25,569	25,853
	Total	99,377	99,377	97,217	98,297
12A	EU	30,373	30,373	29,713	30,043
	Residual	4,369	4,369	4,274	4,321
	Total	34,742	34,742	33,987	34,364
12B	EU	36,485	36,485	35,692	36,089
	Türkiye	13,733	13,733	13,434	13,583
	Residual	7,804	7,804	7,634	7,719
	Total	58,022	58,022	56,760	57,391
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
	Total	137,742	137,742	134,748	136,245
16	EU	77,194	77,194	75,516	76,355
	Residual	3,370	3,370	3,297	3,334
	Total	80,564	80,564	78,813	79,689

Product category	Country	01/07/2025 to 30/09/2025	01/10/2025 to 31/12/2025	01/01/2026 to 31/03/2026	01/04/2026 to 30/06/2026
17	EU	175,764	175,764	171,943	173,854
	Residual	18,267	18,267	17,869	18,068
	Total	194,031	194,031	189,812	191,922
19	EU	4,936	4,936	4,829	4,883
	Residual	145	145	142	144
	Total	5,081	5,081	4,971	5,027
20	EU	7,284	7,284	7,126	7,205
	India	3,745	3,745	3,663	3,704
	Türkiye	16,184	16,184	15,832	16,008
	Residual	761	761	744	753
	Total	27,974	27,974	27,365	27,670
21	EU	11,661	11,661	11,407	11,534
	Türkiye	38,417	38,417	37,582	38,000
	Residual	3,545	3,545	3,468	3,506
	Total	53,623	53,623	52,457	53,040
25A	EU	6,516	6,516	6,375	6,446
	Republic of Korea	1,302	1,302	1,273	1,288
	Japan	8,516	8,516	8,331	8,424
	Residual	2,297	2,297	2,247	2,272
	Total	18,631	18,631	18,226	18,430
25B	EU	16,762	16,762	16,397	16,580
	Japan	2,111	2,111	2,065	2,088
	Republic of Korea	4,817	4,817	4,713	4,765
	Residual	5,081	5,081	4,971	5,026
	Total	28,771	28,771	28,146	28,459
26	EU	23,481	23,481	22,971	23,226
	Türkiye	11,463	11,463	11,213	11,338
	China	6,030	6,030	5,899	5,965
	UAE	15,780	15,780	15,437	15,608
	Residual	10,411	10,411	10,185	10,298
	Total	67,165	67,165	65,705	66,435