



Trade Remedies
Authority

Trade Remedies Authority
North Gate House
21-23 Valpy Street
Reading
Berkshire
RG1 1AF

Rt Hon Liam Byrne MP
Chair of Business and Trade Committee

Sent by email to commonsbtc@parliament.uk

9 February 2024

Dear Liam,

TRA starts reviews of safeguards for Hot Rolled Flat and Coil steel

The Trade Remedies Authority (TRA) has today initiated two reviews of the safeguard measure on category 1 steel products, often known as Hot Rolled Flat and Coil (HRFC) steel.

Tata Steel UK and Kromat Trading Ltd have submitted applications to the TRA requesting that the [measure be suspended](#) and that the relevant [tariff rate quota \(TRQ\) be reviewed](#). The reviews are designed to respond to the trade impacts of Tata's proposal to close its blast furnaces at its Port Talbot site as part of the transition to an electric arc furnace.

If adopted, Tata's plan would significantly reduce HRFC steel production capacity in the UK for a period and would require greater imports to meet British demand. This would make the current level of duty-free TRQs for Category 1 steel insufficient for UK industrial needs. Additional imports required to backfill reduced domestic production would face tariffs of 25% after they exceeded the current quota size.

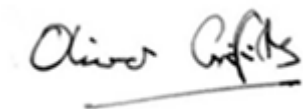
It is the TRA's preliminary view that the measure should be suspended. Subject to any further comments received, the TRA intends to recommend to the Secretary of State for Business and Trade that the safeguard measure is suspended for nine months.

In parallel, the TRA has opened a review of the TRQ for imports of category 1 steel products. Our expectation is that the TRQ review will take longer to carry out than the suspension review. We would anticipate a revised TRQ regime resulting from the TRQ review then replacing the temporary suspension of the safeguard measure for this steel category.

The Port Talbot production plan that both reviews will consider is the same as Tata submitted to Trade Unions for formal consultation on 19 January. Given the importance to the UK economy of managing the trade impacts of the projected reduction in domestic production of hot rolled flats and coil, we are carrying out the reviews in parallel with the consultation. Should the consultation result in a different production plan, we would take that into account in making a recommendation to the Secretary of State for Business and Trade.

Anyone interested in taking part in the reviews can register their interest through the [Trade Remedies Service](#) by 25 February 2024.

Yours sincerely,

A handwritten signature in black ink, reading "Oliver Griffiths", with a horizontal line underneath.

Oliver Griffiths
Chief Executive
Trade Remedies Authority