



Department for
Business & Trade

Baroness Jones of Whitchurch
**Parliamentary Under-Secretary of State (Minister
for Legislation)**

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Lord Fox
House of Lords
London
SW1A 0PW

20th May 2025

By email

Dear Lord Fox,

I am writing to follow up on the questions you raised during debate on the Steel Industry (Special Measures) Act on Saturday 12 April 2025.

Turning first to your question as to the Trade Remedies Authority's (TRA) review of Chinese markets, as you know the TRA, an independent arms-length body, is responsible for investigating whether new trade remedy measures are necessary and for reviewing whether existing measures should be amended or revoked. All investigations and reviews are conducted in line with World Trade Organization rules. The TRA is committed to ensuring its cases are initiated and concluded as quickly as possible.

The UK has 29 anti-dumping and countervailing measures in place against Chinese imports, as well as 10 live TRA investigations, including tin mill steel and organic coated steel from China. The UK also applies a safeguard measure on 14 separate steel product categories. The safeguard allows a set volume of tariff-free imports of steel in each category to enter the UK annually. Should these tariff-free quotas be exhausted a 25% duty is then applied. On 13 May, the TRA published its Statement of Intended Final Determination (SIFD) regarding its ongoing tariff rate quota (TRQ) review of the steel safeguard.

Secondly, with regard to the question about the types of steels produced through blast furnaces and electric arc furnaces (EAFs), EAFs are an established steelmaking technology that can produce high quality and specialised steel, as well as more general commodity products. The type of steel that is being produced will dictate the type of feedstock that is

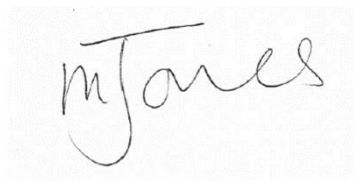
charged into the EAF. For some products, 100% scrap can be used, whilst for others, it requires stringent sorting of scrap to remove impurities as well as the addition of iron. This iron can either be pig iron from a blast furnace, or direct reduced iron (DRI).

The UK currently produces specialist steel products for use in defence and aerospace using EAFs. There are some specialist steel products that are not suitable for the EAF production route, but these are niche products, and technology is improving to narrow this already small gap.

With regard to your questions as to the legality of the payments, the Subsidy Control Act 2022 requires any funding for a company in distress to either have a credible restructuring plan, or to have a national security exemption. We are satisfied that the payments are being made on a lawful basis compatible with our international obligations.

I hope this letter provides the clarification you sought. I am placing a copy in the Library of the House.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'm Jones', is centered on a light-colored rectangular background.

BARONESS JONES OF WHITCHURCH

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