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**Council for Trade in Goods
Committee on Safeguards**

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**IMMEDIATE NOTIFICATION UNDER ARTICLE 12.5 OF THE AGREEMENT
ON SAFEGUARDS TO THE COUNCIL FOR TRADE IN GOODS OF
PROPOSED SUSPENSION OF CONCESSIONS AND OTHER
OBLIGATIONS REFERRED TO IN PARAGRAPH 2
OF ARTICLE 8 OF THE AGREEMENT
ON SAFEGUARDS**

JAPAN

The following communication, dated 18 May 2018, is being circulated at the request of the Delegation of Japan.

In accordance with the agreed format for notifications (G/SG/1, 1 July 1996; amended 19 October 2009, G/SG/1/Rev.1, G/SG/N/6/Rev.1, G/SG/89), Japan notifies the Council for Trade in Goods of the proposed suspension of concessions and other obligations referred to in paragraph 2 of Article 8 of the Agreement on Safeguards, in respect of which it reserves its rights.

1. Which Member is proposing suspension of concessions and other obligations referred to in Article 8.2

Japan.

2. Specify the measure, the product subject to the measure, the WTO document that notified the safeguard measure, and the Member imposing the measure in relation to which the Member is proposing suspension of concessions and other obligations referred to in Article 8.2

The measures in question are tariff increases and other import adjustment measures imposed by the United States on the imports of steel and aluminium from certain WTO members including Japan under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. § 1862) ("Section 232").

These measures have been applied by the United States since 23 March 2018.

Although the United States has not notified these measures under the Agreement on Safeguards, Japan notes that these measures appear to have the characteristics of the measures to which Article XIX of GATT 1994 and the Agreement on Safeguards are applicable.

3. Describe the proposed suspension of concessions and other obligations referred to in Article 8.2 and the proposed date from which it will come into effect

The proposed suspension of concessions referred to in Article 8.2 of the Agreement on Safeguards will take the form of an equivalent increase in duties on selected products originating in the United States. In this respect, Japan notes that application by the United States of the increased duty of 25 per cent on the imports of steel from Japan would result in \$414,820,277 of duty collection by the United States with regard to Japanese exports (based on the export value in 2017 (\$1,659,281,106), as may need to be updated with most recent export data), and the increased duty of 10 per cent on the imports of aluminium from Japan would result in \$25,122,737 of duty

collection by the United States with regard to Japanese exports (based on the export value in 2017 (\$251,227,373), as may need to be updated with most recent export data). Details of the said suspension of concessions based on an equivalent increase in duties based on the most recent export data, including the proposed date from which it will come into effect, will be provided to the Council for Trade in Goods before the suspension of concessions is actually applied. The suspension will continue to apply until the United States' measures are lifted.

Japan notes that its right of suspension under Articles 8.2 and 12.5 of the Agreement on Safeguards will not be exercised for the first three years that the measures are in effect, provided that the measures have been taken as a result of an absolute increase in imports and that such measures conform to the provisions of the Agreement on Safeguards. The United States has not notified the relevant data concerning the alleged increase in imports of the products covered by the measures. However, based on available statistical information, Japan estimates that, among the aforementioned duty collection by the United States, at least \$264,354,296 of duty collection is with regard to products the imports of which have not increased in absolute terms. With respect to this amount, therefore, Japan considers that it is free to suspend substantially equivalent concessions immediately upon the expiration of the 30 days from the day on which the written notice of such suspension is received by the Council for Trade in Goods, as per Article 8.2 of the Agreement on Safeguards. Japan reserves its rights accordingly.

Without prejudice to the effective exercise of its right to suspend substantially equivalent concessions or other obligations referred to in Article 8.2 of the Agreement on Safeguards, and to the extent that the measures have been taken as a result of an absolute increase in imports, Japan also reserves its right to implement the proposed suspension not earlier than 23 March 2021, or the fifth day following the date of a decision from the WTO Dispute Settlement Body that the measures imposed by the United States are not in conformity with the WTO Agreement, whichever is earlier.
