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**Committee on Safeguards**

Original: English

**NOTIFICATION UNDER ARTICLE 12 OF THE  
AGREEMENT ON SAFEGUARDS**

EUROPEAN UNION

*Supplement*

The following notification, dated 19 December 2019, is being circulated at the request of the delegation of the European Union.

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Pursuant to Articles 12.1(c) of the Agreement on Safeguards, the European Union ('the Union') submits a notification concerning its intention to modify of one aspect of the steel safeguard measures, affecting one particular product category. This notification contains all pertinent information relating to the proposed modification to safeguard measures in accordance with Article 12.2 of the Agreement on Safeguards.

- (1) On 15 August, the European Union communicated its intention to adjust the safeguard measures on certain steel products and invited members for consultations. (G/SG/N/10/EU/1/Suppl.3)
- (2) The adjustments to the safeguard measures came into effect on 1 October 2019 following the publication of Commission Implementing Regulation (EU) 2019/1590 ('the Review Regulation').
- (3) During the investigation leading to the Review Regulation, Commission recognized that it was in the Union's interest that traditional trade flows of product types used by the automotive industry (under category 4B - metallic coated sheets) were ring-fenced. Accordingly, the Commission decided that the use of category 4B (which could also include products for uses other than automotive) should be limited to only those imports that can demonstrate an end-use in the automotive sector. Therefore, under the Review Regulation, the corresponding imports were placed under the end-use procedure referred to in Article 254 of Regulation (EU) No 952/2013.
- (4) Following the entry into force of the Review Regulation, several interested parties informed the Commission of severe problems in the implementation of the end-use procedure. As a result, an important amount of steel destined for automotive use could not be imported under the end-use system.
- (5) Given the resulting potential negative economic consequences, and the fact that such constraints are clearly in contradiction with the Commission's objective to ensure traditional trade flows in the Union's interest, and having heard the views of interested parties involved in this matter, the Commission considers that the end-use procedure for this category should be revoked, with retroactive application as from 1 October 2019.
- (6) The level of the TRQ for product category 4A and 4B should thus be adjusted. In order to discuss the details of these adjustments, WTO members with a substantial interest as exporter of the product concerned have been invited to consultations.

(7) As a result of the consultations held with the **Republic of Korea**, the allocation of its country specific TRQ volume between product categories 4A and 4B has been adjusted. The adjustment takes into account the volume actually imported under product category 4A since 1st October 2019, which would have been imported under category 4B, had the end-use mechanism not been in place. The total country-specific TRQ volume for Korea (combination of TRQ in categories 4A and 4B) however remains unchanged.

(8) Under the current measures, **India** has a single country-specific TRQ under category 4A. Due to the revocation of the end-use system, India will again have country-specific TRQ in category 4A and 4B respectively. The volumes of these country-specific TRQs are based on Regulation 2019/159 (as amended by Regulation 2019/1590 regarding the reduction in the liberalisation level). Like for Korea, the total country-specific TRQ volume for India (combination of TRQ in categories 4A and 4B) remains unchanged.

**1. Provide precise description of the product involved**

(9) The product concerned is Metallic Coated Sheets (categories 4A and 4B as defined in Regulation 2019/159).

**2. Provide precise description of the proposed measure**

(10) It is proposed to revoke the end-use system currently applicable for imports of metallic coated sheets for automotive use under category 4B and to revert to the system in place before the entry into force of the Review Regulation.

**3. Provide proposed date of introduction of the measure**

(11) The proposed date for the entry into force of the adjustments to the measures is mid-January 2020.

**4. Provide expected duration of the measure**

(12) Not applicable

**5. For a measure with a duration of more than three years, provide the proposed date for the review (under Article 7.4) to be held not later than the mid-term of the measure, if such a date for the review has already been scheduled**

(13) Not applicable

**6. If the expected duration is over one year, provide expected timetable for progressive liberalisation of the measure**

7. Not applicable

**8. Provide information relating to the extension of a safeguard measure**

(14) Not applicable

**9. Exclusion of certain countries from the scope of the definitive measures**

(15) Not applicable

**10. Procedures relevant to the decision to apply the measures and information regarding procedures for prior consultations with those Members having a substantial interest as exporters of the product concerned**

(16) Members having a substantial interest as exporters of the product subject to the investigation were offered the possibility to have consultations with the European Union. Consultations with the Republic of Korea and Taiwan respectively, took place in the month of December 2019.