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Committee on Safeguards

(21 - 1695)

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NOTIFICATION UNDER ARTICLE 12.1(A) OF THE AGREEMENT ON SAFEGUARDS ON INITIATION OF AN INVESTIGATION AND THE REASON FOR IT

EUROPEAN UNION

Certain steel products

Supplement

The following communication, dated and received 26 February 2021, is being circulated at the request of the delegation of the European ${\rm Union}^*$

Pursuant to Article 12.1 of the WTO Agreement on Safeguards ('Safeguards Agreement'), the European Union notifies that it has initiated a review investigation to assess whether the safeguard measure applicable to imports of certain steel products should be prolonged.

1. Specify the date when the review investigation was initiated

On 26 February 2021, the European Commission ('the Commission') initiated an investigation to assess whether the safeguard measure on certain steel products currently in place should be prolonged beyond 30 June 2021 ('the review investigation').

A copy of the Notice of Initiation of the review investigation, which also includes the applicable rules of procedure, is attached. It has been published in the *Official Journal of the European Union*.

The Commission shall take the necessary decisions before the current expiry date of the measure, i.e. 30 June 2021.

2. Specify the product subject to the review investigation

The product subject to the review investigation is 'certain steel products' ('the product concerned'). The product concerned, together with the CN codes within which it is currently classified, are listed in the Annex of the attached Notice Initiation. Those CN codes are given for information purposes only.

3. Provide the reasons for the initiation of the review investigation

On 14 January 2021, the Commission received a substantiated request from some EU Member States requesting it to initiate an investigation to determine whether prolongation of the safeguard measure was justified.

^{*} A copy of the Notice of Initiation of the review investigation has been submitted electronically. To consult this document please contact Ms. Richards (<u>anne.richards@wto.org</u>) or Ms. Naville (<u>delphine.naville@wto.org</u>) of the Rules Division.

The request contained evidence suggesting that the safeguard measure continues to be necessary to prevent or remedy serious injury and that Union producers are adjusting. In particular, the request contained information regarding negative performance of certain key injury indicators and the existence of continuous significant import pressure from third countries. The request further provided elements pointing to the fact that global overcapacity remains at a very high level, that a large number of trade restrictive measures and trade defence measures by third countries continue being adopted. Hence the request argued that the risk of trade diversion continues and that if the measure was lifted, the Union industry would face a flood of imports that would have a very negative impact on its economic performance. Moreover, the request included examples pertaining to adjustments undertaken by the Union producers. The Commission considered that the information provided, including the sources and supporting evidence, constituted sufficient basis to initiate an investigation.

4. Provide a point of contact for the investigation and identify the preferred means for corresponding

Commission address for correspondence:

European Commission Directorate-General for Trade Directorate G, unit G5 Office: CHAR 03/66 1049 Brussels BELGIUM

TRON.tdi: https://webgate.ec.europa.eu/tron/tdi

E-mail address: <u>TRADE-SAFE009-REVIEW@ec.europa.eu</u> Enrique.arrieta@ec.europa.eu

5. Provide the deadlines and procedures for importers, exporters and other interested parties to present evidence and their views, including (i) deadlines and procedures for Members and exporters to identify themselves as interested parties, if so required, to participate in the investigation, and (ii) the date of an intended public hearing as provided for in Article 3.1

In order to obtain the information it deems necessary for its review investigation, the Commission will send questionnaires to the known producers of the product concerned in the Union. The completed questionnaires must reach the Commission within 21 days from the date on which they are sent.

All interested parties including exporting producers, importers and users of the products concerned and their associations, as well as third country governments are invited to make known their views in writing, submit information and to provide supporting evidence. They should be submitted within 15 days of the date of publication of this Notice in the Official Journal of the European Union.

Parties making a submission are requested to clearly state in their correspondence which of the below issue(s) is (are) concerned by their submission, and make their arguments under the following headings:

- a) Whether the measure continues to be necessary, and why;
- b) Union interest considerations;
- c) Other

To guarantee the rights of defence, interested parties should have the possibility to comment on the information submitted by other interested parties. When doing so, interested parties may only address the issues raised in the other interested parties' submissions and may not raise new issues. In a rebuttal, interested parties should indicate specifically which party(-ies) comments they are rebutting, and follow the same above-mentioned headings structure.

Such comments must reach the Commission within 10 days from the moment the submissions as well as questionnaire replies from Union producers are made available for inspection by interested parties in the open file for the case.

For the sake of efficiency, the Commission will automatically extend the status of interested party to all stakeholders that hold such status under the current safeguard measure. However, this provision will not apply to Powers of Attorney ('PoA').

Parties wishing to participate in the proceeding and which are currently not registered as interested parties to the case are invited to explain their interest and links with the case when making a submission via TRON.

All interested parties may request to be heard by the Commission investigation services. Any request to be heard must be made in writing within 15 days from the publication of this Notice in the Official Journal, and must specify the reasons for the request, as well as a summary of what the interested party wishes to discuss at the hearing.

Interested parties are informed, however, that given the need to complete the investigation and make a determination by 30 June 2021 at the latest, the likely high number of interested parties and the fact that these interested parties will be given the possibility to comment on other parties' submissions, which will ensure sufficient opportunities to defend and make their views known, the Commission intends to carry out the investigation in written form, without organising oral hearings unless interested parties can show that there is a special need to be heard in oral form. Any submission of views and information after the above deadlines may be disregarded.

All written submissions in the investigation should be filed with the Commission as set out in the Notice of Initiation.