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Provisional safeguard measures on imports of third country steel products

On 26 March 2018, the European Commission <u>opened a safeguard investigation</u> on imports of a number of steel products into the EU. The Commission's steel import monitoring system has provided evidence that imports of certain steel products have increased. This trend may be even stronger as access to the US market has been limited and steel products from other parts of the world destined for the US market could be redirected to Europe, thus disrupting the European market.

Following its investigation, the Commission established, by <u>Regulation No 2018/1013</u>, provisional safeguard measures which will make it possible to combat the diversion of steel products from other countries to the EU market because of tariffs recently introduced by the United States.

The Commission's investigation covered 28 categories of products. In the case of 23 categories of iron and steel products investigated, it was found that imports had increased in recent years, and a further increase in imports - generally reoriented from the United States as a result of the measures imposed on iron and steel products under Section 232 - threatens to cause injury to the EU steel industry.

Thus, the provisional measures concern each of these 23 categories of steel products listed in Annex I to the Regulation and will take the form of a tariff quota (TQ) specified in Annex V to the Regulation. The quota is allocated on a "first come, first served" basis and not by country of export.

When the corresponding TQ is exhausted or when the imports of the product categories do not benefit from the corresponding TQ, an additional duty of 25% will be levied on imports into the Union. This additional duty will apply to the customs value of the imported product.

The origin of the products to which the provisional measures apply shall be determined in accordance with the provisions on non-preferential origin in force in the Union.

These measures apply to all third countries to the EU, with the exception of:

- some developing countries with limited export volumes to the EU (Annex IV lists developing countries and indicates developing countries affected by the provisional measures for each of the 23 product categories);
- countries of the European Economic Area namely Norway, Iceland and Liechtenstein.

The provisional measures can remain in place for up to 200 days. The Commission will reach its final conclusion no later than early 2019, which may lead to the imposition of definitive safeguard measures.

Finally, the provisional safeguard measures entered into force on Thursday, 19 July 2018.

DS Customs & Trade team is at your disposal to provide you with additional information.

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