

**COMMISSION IMPLEMENTING REGULATION (EU) 2019/1590****of 26 September 2019****amending Implementing Regulation (EU) 2019/159 imposing definitive safeguard measures against imports of certain steel products**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2015/478 of the European Parliament and of the Council of 11 March 2015 on common rules for imports <sup>(1)</sup>, and in particular Articles 16 and 20 thereof,

Having regard to Regulation (EU) 2015/755 of the European Parliament and of the Council of 29 April 2015 on common rules for imports from certain third countries <sup>(2)</sup>, and in particular Articles 13 and 16 thereof,

Whereas:

**1. BACKGROUND**

- (1) By Implementing Regulation (EU) 2019/159, the European Commission ('the Commission') imposed definitive safeguard measures on certain steel products ('the definitive Regulation') <sup>(3)</sup>. The measures imposed by that regulation consist of a tariff-rate quota ('TRQ') with respect to 26 steel product categories, set at a level high enough to preserve traditional trade flows. A 25 % tariff duty would apply only beyond that set quantitative level of traditional trade flows on a per-product-category basis.
- (2) Recital (161) and Article 9 of the definitive Regulation noted that, based on the Union interest, the Commission 'may have to adjust the level or allocation of the tariff-rate quota. .. in case of changes of circumstances during the period of imposition of the measures' and that such a review should commence 'no later than 1 July 2019'.
- (3) In light of that consideration, on 17 May 2019 <sup>(4)</sup>, the Commission initiated a review of the definitive Regulation and invited parties to make their views known, submit information, and provide supporting evidence concerning the five grounds of review identified by the Commission for the 26 product categories concerned in the Notice of Initiation of the Review Investigation. As per Section 3 thereof, these grounds of review concerned:
  - (a) Level and allocation of TRQs for a number of specific product categories;
  - (b) Crowding out of traditional trade flows;
  - (c) Potential detrimental effects in achieving the integration objectives pursued with preferential trading partners;
  - (d) Update of the list of developing WTO member countries excluded from the scope of the measures based on updated import statistics; and
  - (e) Other changes of circumstances that may require an adjustment to the level of allocation of the TRQ.
- (4) The Commission received submissions from over 150 different parties. Interested parties were also allowed to make comments on and formulate rebuttals to each other's submissions. As a result, the Commission received over 50 additional rebuttal submissions.
- (5) Following an in-depth analysis of all the submissions received, the Commission arrived at the following findings. These are organized in Section 2 below within five different sub-sections corresponding to the five grounds of review identified in recital (3) above.

<sup>(1)</sup> OJ L 83, 27.3.2015, p. 16.

<sup>(2)</sup> OJ L 123, 19.5.2015, p. 33.

<sup>(3)</sup> Commission implementing Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products (OJ L 31, 1.2.2019, p. 27.)

<sup>(4)</sup> Notice of Initiation concerning the review of the safeguard measures applicable to imports of certain steel products (C/2019/3623) OJ C 169, 17.5.2019, p. 9 (hereafter 'Notice of Initiation of the Review Investigation').

## 2. FINDINGS OF THE INVESTIGATION

### 2.A. Level and allocation of TRQs for a number of specific product categories

- (6) As already announced in recital (161) of the definitive Regulation, the Commission's review of the existing measures concerned any product category subject to measures, including (but not limited to) product categories 3, 4, 6 and 16. For those specific product categories, the Commission had received a considerable number of comments during the investigation leading to the adoption of the definitive safeguard measures. Those product categories had also been the object of numerous exchanges in the context of bilateral consultations with the Union's trading partners.
- (7) That being said, all 26 product categories had been subject to daily monitoring by the Commission.
- (8) In the Notice of Initiation of the Review Investigation, the Commission announced that it would investigate whether changed circumstances had occurred since the adoption of the definitive measures, including whether there was evidence of a substantial increase or contraction in Union demand or the imposition of trade defence measures on certain product categories. Those instances would make it necessary to adjust the level or allocation of the TRQ in place.
- (9) To identify substantial changes in demand, the Commission explained that it was looking into the evolution of the use of the TRQ concerned to see whether quotas had been exhausted or whether their use did not reflect traditional trade flows.
- (10) At the point of initiation of the review investigation, the Commission found such potential abnormal patterns of trade in product categories 4B, 5, 13, 15, 16, 17, and 25. For those categories, either certain annual country-specific quotas or the corresponding residual quota, which was calculated to last until the end of June 2019, had already been exhausted or were about to be exhausted within only two months from the imposition of the definitive safeguard measures.
- (11) For the purposes of its review, Commission analysed in detail the development of the 26 product categories, not only on the basis of its daily monitoring, but more specifically also for their development during the period from 2 February 2019 to the end of June 2019. Through that analysis, the Commission sought to determine whether any possible abnormal use pattern originate in a genuine substantial increase of Union demand, or whether those use patterns of the TRQs are the result of speculative stockpiling activities, or, in fact, of trade diversion caused by distortive trade measures taken abroad.

#### *Comments made by interested parties*

- (12) In their submissions, many interested parties requested either an increase in the level of TRQ or a different system for the allocation or use of quotas for the product categories they import. Only a few interested parties submitted meaningful evidence supporting the conclusion of a potential imbalance between the available quantitative limits set by the TRQ and existing (or developing) EU demand or other changed circumstances. The majority of these comments focused on the following product categories that will be individually discussed in this section: category 1 (hot rolled sheets and strips), category 4B (automotive metallic coated sheets), category 16 (wire rod) and category 25 (large welded tubes).
- (13) For the other product categories mentioned either in the review clause or in the Notice of Initiation of the Review Investigation (that is, product categories 3 (electrical sheets), 5 (organic coated sheets), 6 (tin mill products), 13 (rebars), 15 (stainless wire rod) and 17 (angles, shapes and sections)), the comments received were limited. No submission received provided evidence pointing to problems of offer shortfall (i.e. low quantitative limits set by the TRQ concerned) caused by increased demand, or any other changed circumstances. However, numerous submissions claimed crowding-out problems with respect to product category 13 that will be also individually analyzed in this section under sub-section 2.B below.

#### *Commission analysis*

- (14) At the end of the first annual period of measures on 30 June 2019, for 24 out of the 26 product categories, the actual import volumes remained below their respective quantitative level set by the TRQ, either from one or more country-specific TRQ and/or from the global TRQ. In other words, only for two product categories, i.e. category 13 (rebars) and category 14 (stainless steel bars) the total quotas (country-specific and residual) made available under the measures were fully exhausted closely towards the end of June 2019.

- (15) Overall, 1,3 million tonnes of the TRQ available for the period 2 February – 30 June 2019 remained unused. In addition, the Commission confirmed that during the period when provisional measures were in place (18 July 2018 - 1 February 2019) around two million tonnes of quota space remained unused. Therefore, during the first year of application of the safeguard measures, over 3,2 million tonnes free-of-duty imports were not used.
- (16) On that basis, the Commission concluded that the TRQ levels established pursuant to the ongoing safeguard measures did not unduly restrict trade flows but rather ensured that traditional trade flows were maintained commensurate with the Union market needs. No evidence of alleged offer shortfall caused by increased demand had been provided by interested parties.

***Specific assessment: Category 1 – Hot-rolled flat products***

- (17) For all product categories subject to definitive safeguard measures except for category 1, the TRQ system adopted by the Commission was a combination of country-specific and residual TRQs. In so doing, the Commission aimed at preserving the traditional trade volumes not only in volume but also in origin terms.
- (18) However, the Commission considered that this preferred TRQ system was not appropriate for product category 1 due to the following particular circumstances. Indeed, five of the main historical exporting countries<sup>(5)</sup>, representing close to 60 % of imports in the period 2015-2017, had been made subject to anti-dumping and/or countervailing measures during that same period<sup>(6)</sup>. This significantly affected their level of imports.
- (19) Therefore, the Commission concluded these countries would normally no longer be in a position to export to the Union at their historical level, i.e. based on the average level of their Union imports in the last three years (2015-2017). The Commission, therefore, decided that it was in the Union's interest to adopt a single system of global TRQs, administered on a quarterly basis, in order to avoid the risk of shortage that a country-specific allocation could unduly generate.
- (20) In their comments during this review, some interested parties, including the Union industry and several exporting countries, requested the Commission to implement a system of country-specific TRQs also for product category 1. These parties argue that the current evolution of imports would create an imbalance in the import flows to the detriment of certain supplying countries that would in turn create certain market disturbances.
- (21) In reaction thereto, the Commission analyzed the import evolution of product category 1 during 2018 and the first half of 2019. It observed that, vis-à-vis Russia as supplying country, despite being subjected to anti-dumping measures (which resulted in a relevant decrease of its import volume in 2017), its exports during the period January 2018-June 2019 recovered a substantial part of its historical trading volume. Russia accounted for 16 % of TRQ use in the period February-June 2019<sup>(7)</sup>. In addition, other countries subject to anti-dumping measures, namely Brazil and Ukraine, have continued exporting to the Union<sup>(8)</sup>, albeit in much more limited quantities than before the imposition of anti-dumping duties.

<sup>(5)</sup> Brazil, China, Iran, Russia, and Ukraine.

<sup>(6)</sup> Commission Implementing Regulation (EU) 2017/649 of 5 April 2017 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China; OJ L 92, 6.4.2017, p. 68; Commission Implementing Regulation (EU) 2017/969 of 8 June 2017 imposing definitive countervailing duties on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China and amending Commission Implementing Regulation (EU) 2017/649 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China; OJ L 146, 9.6.2017, p. 17; Commission Implementing Regulation (EU) 2017/1795 of 5 October 2017 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Brazil, Iran, Russia and Ukraine and terminating the investigation on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Serbia; OJ L 258, 6.10.2017, p. 24.

<sup>(7)</sup> Russia reached 20 % of imports share in 2018.

<sup>(8)</sup> The combined TRQ share of Ukraine and Brazil during the period February-June 2019 accounted for over 5 %. Moreover, if taken together with Russia, the TRQ share of these three countries subject to anti-dumping measures reached over 21 % in the period February-June 2019 and 25 % of total imports in 2018.

- (22) In view of the above-described evolution of imports, most notably from Russia, which could not be foreseen when the definitive safeguard measures were adopted, the Commission found now that the level of imports significantly affected by trade defence measures is substantially lower than expected. Furthermore, given the consistently-high use rate of the TRQ in the two quarters subject to definitive safeguard measures (February-June 2019) by other exporting countries, notably Turkey, India and the Republic of Serbia with respective shares of 40 %, 15 % and 12 %, the potential risk of shortage of supply that was anticipated when imposing definitive measures is now found to be substantially lower.
- (23) Accordingly, in the light of the above changed circumstances, the Commission considered that it would be in the Union's interest to amend the TRQ allocation for product category 1 and introduce a mechanism that ensures the preservation of trade flow origins akin to that used for the other product categories to the best extent possible.
- (24) The Commission observed that the difficulty of introducing such a system lies in the nature of product category 1. As previously explained in recital (19), relying on the historical average imports of 2015-2017 for fixing the country-specific quotas would cause substantial offer shortfall. On the other hand, using 2018 being the first full year with anti-dumping and countervailing measures in place, could lead to an improper allocation. That is because 2018 import volumes were also influenced by the entry-into-force of the safeguard measures (in July 2018), as well as by the presence of import volumes resulting from trade diversion from third countries that was already established in the definitive Regulation with respect to category 1.
- (25) In these circumstances, and in the absence of proper representative import data over a sufficiently long and reliable period, the Commission considered that the most appropriate way to ensure the preservation of traditional trade flows for category 1, in both volume and origin terms, would be to establish a limitation to the share in the global quota any single exporting country can reach during a respective quarter.
- (26) In order to determine this cap, the Commission analysed the historical import data (2013-2017) <sup>(9)</sup> of product category 1 and found that, during this period, no exporting country exceeded 25 % on average, and also that the highest share in any single year was achieved by Turkey in 2017 with 28 %. Accordingly, the Commission considered that no single exporting country should be allowed to exceed a share of 30 % of the global TRQ available per quarter during the remaining duration of the measures.
- (27) This threshold should give enough room to exporting countries to fill the market shares left open by supplying countries subjected to anti-dumping or countervailing measures, while preserving as much as possible traditional trade flows and ensuring enough diversity of supply for users in the Union, so as to minimize any potential risk of shortage of supply <sup>(10)</sup>.
- (28) Through this adjustment to the allocation of the TRQ, the Commission considered to strike an appropriate balance between the legitimate rights of the different parties in line with the Union interest.

***Specific assessment: Category 4B – Metallic coated sheet used primarily in the automotive sector***

- (29) In the definitive Regulation, the Commission decided that it was in the Union interest to split category 4 (metallic coated sheets) into two subcategories: 4A and 4B. The objective of that split was to preserve, to the best extent possible, the traditional level of imports for the EU automotive sector. Indeed, given the high number of product types contained in category 4, the Commission had identified a serious risk that the steel types needed by the EU automotive sector could be crowded out by other 'standard' sub-categories. It is recalled that most of the standard types under this category are currently subject to anti-dumping measures, contrary to the more specialized products that were not covered in the respective request for anti-dumping measures.

<sup>(9)</sup> The Commission noted that while for the calculation of the TRQs for all product categories but category 1, it had selected the period 2015-2017, in that case it considered it appropriate to also look into the preceding years (2013-2014) in order to analyse the level of historical imports in a period prior to the surge of imports caused by dumped imports from several origins. In the same vein, the Commission considered that the import levels in 2018 shall not be taken into account as: (i) they are affected by the initiation of the safeguard measures in March 2018, as well as by the imposition of provisional safeguard measures in July 2018; and (ii) they contain relevant amounts of imports stemming from trade diversion, as established in the definitive Regulation.

<sup>(10)</sup> The Commission recalled that the risk of shortage of supply was identified by the definitive measures as a main problem due to the special circumstances prevailing in this category.

- (30) As part of the review, the Commission received numerous submissions from interested parties affected by the split between the two sub-categories, inter alia from the EU automotive industry association (ACEA), the Governments and exporting producers of Korea and China. These submissions highlighted that the current subdivision is not entirely effective in meeting its intended objectives. Those interested parties also claimed a lack of clarity in the definition of the products as regards their classification per sub-category and, in particular, the fact that imports of the so-called automotive grades have been crowded out by the standard categories to the detriment of the automotive industry.
- (31) Interested parties submitted different proposals to enhance the effectiveness of the TRQ for this category. Notably, ACEA and the Government of China requested that the Commission grant an end-use exemption for the imports of steel grades within category 4B that are intended for the use of the automotive industry. Other interested parties like the Governments of Korea, Taiwan, and China requested, by way of alternative option, an increase in the level of the TRQ, and also a system that would ensure that the traditional volumes for the automotive sector are effectively shielded from imports of other types of steel. For its part, the Union steel industry concurred that the potential circumvention of anti-dumping measures of category 4A should be investigated and that a solution for the automotive sector be found, without, however, excluding category 4B from the scope of the measures.
- (32) The Commission's analysis upon review of the definitive measures confirms that traditional trade flows for products falling within category 4B have indeed been disturbed. According to Eurostat import statistics, China (which was allocated one of the biggest country-specific TRQ) fully exhausted its country-specific TRQ in one quarter (2 February – 31 March 2019) and subsequently used a significant amount of the global TRQ (over 75 %) in the last quarter of that same period (1 April – 30 June 2019).
- (33) Moreover, the Commission observed that China had exhausted – within one day only – its annual country-specific TRQ for second year of measures (1 July 2019 – 30 June 2020). It is therefore questionable whether these imports in fact consist of the so-called 'automotive grades' of imports. The said one-day exhaustion of the annual country-specific TRQ, in any event, also showed that traditional trade flows for this sub-category had been displaced. This trend would likely be further exacerbated if no adjustment were made to the functioning of the TRQ for category 4B to ensure adherence to the intended objective of preserving traditional level of imports from a variety of supplying countries for the automotive industry.
- (34) The Commission remained of the view that there were no grounds for excluding any of the product categories subject to the measures, be that through an explicit exclusion of product category 4B or by means of an end-use exemption <sup>(11)</sup>. The Commission thus rejected the requested end-use exemption of the automotive grades.
- (35) The Commission recognized however that it was in the Union's interest that traditional trade flows of product types used by the EU automotive sector were ring-fenced. One of the ways to achieve this objective is if the use of category 4B were restricted to only imports that can demonstrate an end-use in the automotive sector.
- (36) Accordingly, the Commission considered it in the Union interest to adjust the functioning of the TRQ for category 4, as follows. In order to benefit from the TRQ under category 4B, the steel product categories falling under this category, and which are, in fact, used for the manufacturing of automotive parts, must be placed under the end-use procedure referred to in Article 254 of Regulation (EU) No 952/2013 <sup>(12)</sup>. Once the TRQ allocated for category 4B is exhausted, the 25 % above-quota tariff would apply.
- (37) However, as certain CN codes currently grouped within category 4B are not exclusively used by the automotive industry, it was nonetheless necessary to adjust the allocation of codes between categories 4A and 4B in order to ensure that the relevant export of non-automotive products were preserved. To this end, the scope of 4A was extended and revised as follows: all CN codes previously solely grouped within category 4B would now also be part of category 4A. The scope of category 4A would, consequently, be extended. At the same time, the scope of category 4B would be kept unchanged.

<sup>(11)</sup> See recitals 23 to 26 of Regulation (EU) 2019/159.

<sup>(12)</sup> OJ L 269, 10.10.2013, p. 1–101.

- (38) Accordingly, imports of products falling under category 4B codes that are not destined for use in the automotive industry should in the future take place only under category 4A. Conversely, all imports of products that were destined for use in the automotive industry should take place under product category 4B and meet the end-use procedure requirements as explained in recital (36) above.
- (39) Because of this adjustment, India would be granted a single country-specific TRQ under 4A (combining the volumes of the country-specific TRQ allocated under 4A and 4B), as the information available to the Commission indicated that this country does not export for use in the automotive sector.
- (40) Following the information received in the framework of the consultations held with the Republic of Korea, the Commission has adjusted the level its country-specific TRQ in categories 4A and 4B. The part of the TRQ under category 4B corresponding to the CN codes which were previously listed exclusively under this category and which were not intended for the automotive use are now transferred to the Republic of Korea's country-specific TRQ under category 4A, so that they can continue to be exported to the Union market. The Commission considered that it was necessary in the Union's interest to introduce this adjustment to improve the efficacy of the definitive measures with regard to this category and ensure that the imports by the EU automotive industry were not unduly restricted.

***Specific assessments: Category 16 – Wire rod***

- (41) The Commission received multiple claims concerning this product category. First, the Commission was requested to adjust the level of the TRQ upwards to avoid any potential shortage of supply in the Union market. In particular, some parties had asked to increase the level of the TRQ by up to 20 % or to use the level of imports in the years 2016-2018 as the basis for a revision of the level of the TRQ. Others claimed that the TRQ should be adjusted completely to reflect a growth of demand in the Union.
- (42) Secondly, some interested parties argued that the Union producers had not increased (and were not capable of further increasing) capacity or production at the necessary level to meet the current and the future demand for wire rod in the Union. Moreover, they also claimed that the Union producers of wire rod primarily supplied their related downstream users, thus reducing the available quantities of wire rod destined to the open market, which undermined the position of those independent users, i.e. those that are not vertically integrated. As a result, independent users would be facing important limitations in accessing sufficient quantities of wire rod.
- (43) Thirdly, some interested parties claimed that the exhaustion of certain TRQs could not be due to stockpiling practices for this product category and that imports were rather made at regular and consistent levels until the relevant TRQs were exhausted.
- (44) Fourthly, several interested parties requested the Commission to grant country-specific TRQs to certain origins as they would supply specific product subcategories to the Union market. In the same vein, some interested parties argued that either certain subcategories should be excluded, or that the Commission should split this product category, allocating specific TRQs to the new subcategories.
- (45) Fifthly, some parties requested to split this category so that the subcategories used in the automotive sector would have their own TRQ.
- (46) Finally, one interested party argued that it was unable to produce a particular type of product as the safeguards had restricted the amount of a certain type of wire rod needed; several parties also asked that unused country-specific TRQ be transferred to the residual TRQ in the last quarter of each period (1 April – 30 June).

- (47) Within the framework of the review, the Commission assessed all these submissions carefully. In the first place, the Commission found that, although it had acknowledged in the Notice of Initiation of the Review Investigation that this category had experienced a particularly fast use of both certain country-specific TRQs and the global TRQ in the last quarter of the first annual period (that is, 1 April – 30 June 2019), the overall supply for this product does not appear to have been abnormally constrained. There were no signs of substantially increased demand that point to a change in circumstances. In fact, the analysis of the TRQ use showed that, while some countries had used their individual TRQ very quickly, in the last two weeks <sup>(13)</sup> of the last quarter of the first year under measures there was still quantitative space available in the TRQ from at least three countries of origin (Moldova, Switzerland and Ukraine), representing over 6 % of the total TRQ allocated for the period. At the end of the first year in which the measures were in force, there was still quantitative space in the TRQ available from one origin (Ukraine).
- (48) According to some submissions, in the EU construction sector, which is one of the main destinations for wire rod, demand grew at 2,8 % in 2018 and it is expected to continue growing at a rate of 1,6 % in 2019-2021. However, this pattern of growth was already integrated in the assessment that led to the definition of the current quantitative level of the TRQs. Indeed, when imposing definitive measures, the Commission topped up the traditional level of imports with an additional 5 % to update the historical data and take into account a normal increase in demand during the following years. Moreover, even if the liberalisation of the safeguard measures after their first year were to be amended downwards <sup>(14)</sup>, it is de facto increasing the level of the available TRQs further to cope with the alleged increase in demand beyond foreseen growth. Based on this, the Commission considers that the current level of the TRQ for product category 16 was adequate and that there was no risk of shortage on the Union market.
- (49) As to the claim of artificial restriction in the offer by Union producers, according to the information available to the Commission, (that includes the verified questionnaire replies submitted by the Union producers in the framework of the investigation that lead to definitive measures) production and sales of the Union industry (in the free market) consistently increased during the period 2013-2017. In the same period, sales to related companies (captive sales) also increased although in much lower volumes. The data showed that the volume of sales to the free market (in the Union) was more than three times higher than the captive sales in the Union during the same period. In addition, there is no evidence showing that such a clear and consistent trend observed in the last years would have been drastically reversed recently. Therefore, the evidence available on file contradicted this claim.
- (50) Concerning potential stockpiling, the evidence on file contradicted the allegation that imports took place from all countries of origin at regular and consistent levels. In fact, while this was the case for a number of countries of origin, as well as for the residual TRQ in the third quarter (February-March 2019), the remaining most relevant origins (Turkey and Russia) exhausted the TRQ available for five months in a few days or weeks. This abnormal pattern was also confirmed for the first days of the second period of measures (Until 19 July 2019, Turkey had used 60 % of its annual country-specific TRQ). Moreover, the Commission also observed that the residual TRQ in the last quarter of the first period of measures (1 April to 30 June 2019) was exhausted exclusively by two countries (Turkey and Russia) already on the second day of the relevant quarter (that is, 2 April 2019), while, in the preceding quarter (2 February – 31 March 2019), that residual TRQ had been used, by several countries, at a steady pace throughout the quarter. Such unusually fast exhaustion of the TRQ level by some countries of origin cannot be regarded as 'regular and consistent levels of trade'.
- (51) Concerning the request to split category 16, the Commission recalled that, in Regulation (EU) 2019/159, it exceptionally split two categories and explained the reasons behind this decision. After carefully analysing the submissions received in this respect, the Commission determined that no change of circumstances that would warrant a split of any additional category was demonstrated. The Commission observes that the submissions of the EU automotive industry (ACEA) did not even mention the need for a potential adjustment in this category. The Commission further noted that the mere fact that certain types within a product category were used in the automotive sector does not automatically qualify them for differential treatment under the measures. Rather, it would need to be shown that it would be in the Union's interest that such adjustment took place. The evidence supplied was, accordingly, not sufficient for the Commission to conclude that the adjustment is indeed in the Union's interest.

<sup>(13)</sup> On the basis of the TRQ use until 17 June 2019.

<sup>(14)</sup> See section 2.E below.

- (52) Concerning the impact of the definitive safeguard measures on the ability to produce a certain product for which a certain type of wire rod is needed, the Commission observed that the evidence supplied showed a consistent and steep downward trend of sales of that products from 2013 until 2018, i.e. before the safeguard measures were put in place. Therefore, this claim was not supported by sufficient evidence.
- (53) Therefore, the Commission considers that there was not sufficient evidence to justify a TRQ increase for this product category.

***Specific assessment: Category 25 – Large welded tubes***

- (54) Some parties submitted that the current allocation of TRQs for category 25 should be amended because of changed circumstances. In particular, some parties argued that a major gas pipe project (Nord Stream 2), for which a large amount of tubes from Russia were imported in 2017, would now be in its last stages and that, therefore, the allocation of TRQs for this product would not be appropriate as would not represent the current situation in the market. This claim would be supported by the import trends observed from Russia. As a result, those parties argued that there should no longer be any country-specific TRQs for this category, but rather a single global TRQ to avoid shortage of supply for other upcoming projects.
- (55) On the one hand, Russia is the country with the largest individual TRQ for this category (which accounts for around 70 % of the total TRQ). Under the review, the analysis by the Commission of the relevant import data showed that Russia's imports have consistently declined after a massive surge in 2017. Following this surge, Russia's level of imports already experienced a drastic decrease in 2018 (although still at relatively high volumes). This downward trend has however accelerated during the period of application of definitive safeguard measures. The analysis of the TRQ use showed that, as a result, Russia had largely underused its country-specific TRQ during the first year of measures (30 % use) <sup>(15)</sup>. This underuse of the tariff-rate quota reflected the needs of the ad-hoc engineering project mentioned in recital (54).
- (56) On the other hand, other supplying countries for this product category had fully exhausted their country-specific TRQs and used up to 79 % of the global TRQ (the volume of this global TRQ being rather small comparatively).
- (57) In view of the changed circumstances related to the engineering project mentioned in recital (54) and the most recent evolution of the TRQ use observed, the Commission considered it necessary to replace the existing TRQ with a single global TRQ. This change in the TRQ system was deemed in line with the Union interest, since it was more apt to limit the risk of potential shortage of supply stemming from an inadequate allocation of TRQs, while ensuring, at the same time, adequate diversity of supply and equal opportunities for all potential suppliers to participate in any new engineering projects requiring this product category.
- (58) The Commission observed that the converse, that is, if the allocation of TRQs per country currently subject to the definitive measures were maintained, the participation of suppliers of other potential countries of origins in procurement processes for other ongoing or future projects could unduly be distorted. The same problem could also arise if the Commission were to set a cap per supplying country, as it decided to do for category 1. The Commission thus considered that maintaining the original situation would not be in the Union interest and that the change in the allocation of TRQs for this category was justified.
- (59) As for all global quotas under the existing measures, the global TRQ for category 25 should be administered on a quarterly basis.

***General assessment: Claims concerning product categories***

- (60) Whereas in the preceding recitals the merits of potential TRQ adjustments for the product categories that attracted the majority of comments by interested parties were discussed in detail, this subsection addresses in a more concise way the claims made in respect of the remaining product categories by means of arguments that are of general value for the corresponding categories for which the claims were made.

<sup>(15)</sup> Russia's unused quota accounts for around 94 % of the total unused TRQs in this category.



- (61) Some interested parties requested an increase in those country-specific TRQs that had been exhausted before the end of the relevant period. Some of these parties argued that the very fact that a country-specific TRQ was exhausted would be sufficient evidence to justify an increase in the TRQ. Along the same lines, some of these parties also noted that the level of the TRQs set by the definitive measures was too low, as for some product categories the import levels in 2018 were comparatively higher than the quantitative levels of the TRQs concerned.
- (62) First, the Commission noted that, except for two product categories, for the remaining twenty-four categories there was still quantitative TRQ space available from one or several countries of origin, or from the residual TRQ or from both. As mentioned in recital (15), the total unused TRQ space during the period the provisional measures were in place (from 18 July 2018 until 1 February 2019) and the first period of the definitive measures (from 2 February 2019 until 30 June 2019) exceeded 3 million tonnes. As such, the Commission disagreed with the claims that the overall quantitative level of the TRQs was set too low. Furthermore, the fact that certain TRQs within a given product category were exhausted before the end of the relevant period did not in itself constitute changed circumstances that would warrant an automatic increase of the TRQ, if no additional evidence was provided proving that the exhaustion was due to an increase in demand that was unforeseen when the definitive measures were adopted. The Commission recalled that the rationale of safeguard measures was to put in place emergency response measures with respect to increased imports of particular products. In contrast, many of the claims made in the review simply requested an increase in the quantitative level of the TRQ without supplying any kind of evidence of changed circumstances (such as, for instance, no risk of trade diversion). Therefore, the claims made on this basis were considered unsubstantiated.
- (63) Some interested parties requested the Commission to change the period used to calculate the TRQ. In many cases, these parties requested to use the period 2016-2018 to capture the most recent and, usually also, highest level of imports.
- (64) In Regulation (EU) 2019/159 and in light of Articles 15 of Regulation (EU) 2015/478 of the European Parliament and of the Council of 11 March 2015 on common rules for imports<sup>(16)</sup> ('Regulation (EU) 2015/478') as well as the principles of proportionality and non-discrimination, the Commission noted that the TRQs were calculated on the basis of the average level of imports in the last three representative years (2015-2017). The Commission recalled that, as explained in the Notice of Initiation of the Review Investigation, the objective of this review was to formulate very specific adjustments of the existing measures if, since their adoption, there was sufficient evidence that changed circumstances had occurred. Moreover, interested parties failed in any case to show how the period selected by the Commission would be incompatible with the relevant rules or principles of Union law. The Commission, accordingly, concluded that the period used to establish the TRQ concerned would not be revised in the framework of this review.
- (65) Some interested parties pointed to the fact that certain country-specific TRQs had not been fully used. In some cases, the level of use was in fact negligible. These parties asked the Commission to redistribute these volumes amongst other suppliers that may have exhausted their TRQs.
- (66) The Commission acknowledged that certain country-specific TRQ were not fully used and that in some specific cases, the use level was abnormally low. The Commission recalled that the allocation of TRQs to certain countries was done on the basis of historical imports in order to preserve traditional trade flows. In this respect, no interested party had supplied sufficient evidence showing that the abnormally-low use level was due to changed circumstances of a lasting nature for the relevant product types. Nor had interested parties provided such evidence for arguments that unused quotas were generating overall offer shortfall problems for the corresponding product categories, so that the existing allocation of the TRQs concerned could no longer be considered appropriate and warrant a review. Therefore, the Commission concluded that there was no sufficient reasons that would warrant depriving any historical supplier from its own quota.
- (67) As for the unused residual quotas at the end of each of the first three quarters of a period, some interested parties asked the Commission to likewise transfer all unused TRQs at the end of one period to the next period.

<sup>(16)</sup> OJ L 83, 27.3.2015, p. 16.

- (68) The Commission cannot accept this request. It should be noted that the level of TRQs available per period is calculated on an annual basis. Therefore, transferring unused quotas from one period to another would inflate the TRQs available in each period beyond the level of historical traditional imports and, consequently, would thus risk undermining the effectiveness of the measures.
- (69) Some interested parties similarly asked the Commission to grant country-specific TRQs to countries, even in situations where the imports from these countries in a given category would be below 5 % during the period considered relevant for the allocation of the TRQ (2015-2017).
- (70) The Commission recalled that the method of allocation of the TRQ was the same for all product categories and origins. The criterion for allocating a country-specific TRQ, as defined in the Regulation (EU) 2019/159, was that the imports of a country should account for at least 5 % of the average imports in a product category in the period 2015-2017. The submissions received in this respect do not provide any objective reason to change that approach. Moreover, under WTO rules, granting country-specific TRQs exceptionally when the threshold of 5 % is not met would constitute discrimination between interested parties. Therefore, the Commission could not accept these requests.
- (71) Other interested parties invoked different provisions included in bilateral trade agreements signed by the European Union with certain trading partners so as to obtain either an exemption from the measures or a preferential treatment vis-à-vis their imports.
- (72) The Commission noted that all bilateral trade agreements invoked by the parties envisaged the possibility to adopt safeguard measures. Therefore, no exemption on this basis can be claimed. The Commission also disagreed with the view that it should grant preferential treatment to some countries over others. Such bilateral agreements do not provide or impose on the Union any obligation for such differential treatment with respect to other parties subject to measures. Nor was any interested party able to point to any such provisions in the relevant agreements. Therefore, the Commission could not accept these requests.
- (73) Yet other interested parties claimed that an increase in the TRQ was necessary because the Union industry was not able to supply enough quantities in the Union market and hence could lead to shortages in the market.
- (74) The Commission recalled that, for the majority of product categories, there was still quota space available, both at the end of the period in which provisional measures were in place (1 February 2019) and at the end of the first period in which definitive measures were in place (30 June 2019). Therefore, the Commission considered that such claims were at odds with the actual quota use. Moreover, those parties did not provide any evidence showing any shortage of supply for any of the relevant product categories. Therefore, the Commission rejected these requests.
- (75) Some interested parties linked their claims for increased TRQs in certain categories to an alleged increase in demand in the sectors of the economy where these categories are used.
- (76) The Commission noted that these claims pointed at increases in demand that took place before the imposition of the definitive measures. In this regard, the Commission recalled that it had already covered such potential increases with top-up of 5 % over the traditional import levels, which was in effect since the entry-into-force of the definitive safeguard measures. As to demand evolution in subsequent periods, the information available to the Commission did not show any indication of substantial increase in demand, but, rather, pointed to a reduction in real steel consumption <sup>(17)</sup>.
- (77) Some interested parties asked the Commission either to exclude certain subcategories of products or to split current product categories. In support of these claims, they alleged that it was in the Union interest to ensure that the imports of certain 'niche' product subcategories were not crowded out by the imports of other more standard product subcategories.
- (78) In this respect, the Commission highlighted that the scope of the review did not cover the exclusion or inclusion of product categories or subcategories under measures. Concerning the requests for splitting some product categories, the Commission referred to its explanation in recital (34) above.

<sup>(17)</sup> See Section 2.E below.

- (79) Some interested parties insisted the Commission should introduce a licensing system to administer the TRQs.
- (80) In this respect, the Commission highlighted that, when devising a TRQ system, it was fundamental to ensure that its implementation is reasonably feasible. Given the large product scope of the current measures, the introduction of a licensing system would add such a degree of complexity whose comparative net benefits over its shortcomings were as of yet unclear. Unless proven otherwise, the Commission considered that the TRQ system currently in place was appropriate. The Commission stresses that no evidence had been provided under this review that would put into question the appropriateness of the current system of management of the TRQs.
- (81) Some interested parties asked the Commission to amend the current management of country-specific quotas, so that they were managed on a quarterly basis. These parties argued that the risks of stockpiling practices would thus be reduced and a smoother pace in the quota use would thus be ensured.
- (82) The Commission considered that the current system, whereby country-specific TRQs for historical suppliers are managed on a yearly basis, was in the Union's interest, as it does not unnecessarily or artificially restrict the choice of supply for Union importers and users at any particular point in time. Therefore, the Commission did not see any reasons to change it.
- (83) Some interested parties also asked for countries having exhausted their country-specific TRQ to be able to immediately access the residual quota. That possibility was currently limited to the fourth quarter of each period.
- (84) The Commission recalled that the possibility to access the residual TRQ in the last quarter of a period was introduced to reduce the risk that residual quotas remain unused and to avoid a potential shortage of supply on the Union market. As noted above, the Commission had been monitoring on a daily basis the use of the residual TRQs. Except for the findings on crowding out developed in Section 2.B below, the Commission thus noted that the quota use for most residual quotas was very high (in many cases it was fully exhausted). The Commission also observed that in the very few categories that presented a very low use level of the residual TRQ, most country-specific TRQs had not been fully exhausted either. Therefore, in view of these elements, the Commission concluded that allowing access to the last quarter of a period had so far effectively ensured that traditional trade flows in terms of origins were largely preserved<sup>(18)</sup>, while minimizing the risk of shortage of supply.

## 2.B 'Crowding out' of traditional trade flows

- (85) Under the definitive safeguard measures, once a country-specific TRQ in a given product category is exhausted, the corresponding country is allowed to access the global TRQ during the last quarter (i.e. 1 April 2019 - 30 June 2019). Although the global TRQ is in principle designed for the remaining countries not benefiting from country-specific TRQs, this mechanism was created to ensure that no residual TRQs remain unused at the end of every year under measures.
- (86) The Notice of Initiation of the Review Investigation pointed out that, for certain product categories, one or several countries benefiting from a country-specific TRQ had rapidly exhausted the residual TRQ during the last quarter, crowding out traditional import flows from other origins. The Commission therefore committed to investigating whether this fact had adversely affected the Union's interest, in particular regarding the need to maintain traditional trade flows, and, where appropriate, to decide on potential remedies for this situation.

### *Comments made by the parties*

- (87) On the one hand, many interested parties, including supplying countries, exporters, users and the Union industry complained about the exclusionary effects the current system of access to the residual quota during the last quarter could generate for their interests. These parties requested the Commission to take immediate action to remedy the alleged imbalance concerned, in that a country already subject to a country specific TRQ should not be allowed to displace other historical suppliers, even if these were comparatively less important in terms of volumes imported. These parties therefore asked for a limitation to the use of the global residual TRQ in the last quarter of the respective year of the measures. On the other hand, a limited number of interested parties presented arguments to the contrary, disagreeing with any changes to the functioning of the current mechanism. In their opinion, any change to the system would endanger the full use of the residual TRQs.

<sup>(18)</sup> See Section 2.B for the two exceptions where crowding out was identified.

*Commission analysis*

- (88) The Commission carried out an in-depth assessment of the mechanism currently in place for the management of the global residual TRQs, including the carry-over of unused quotas from one quarter to another and the access during the fourth quarter for countries having exhausted their corresponding country-specific quota. This assessment showed that the existing mechanism has generally worked well and has ensured an unproblematic maximization of residual TRQs' use. In the vast majority of product categories subject to the definitive measures, the use of the global TRQ by suppliers having exhausted their country specific quota, even if they were able to take sometimes a large portion of the global TRQ during the last quarter, has not prevented smaller historical suppliers placed under the residual TRQ to continue exporting during the same period. In these circumstances, the unrestricted access to the global TRQ in the last quarter appeared to remain a crucial feature of the TRQ system in the Union interest that should be maintained as such.
- (89) However, the Commission's analysis also revealed that, in two product categories (that is, product categories 13 and 16) <sup>(19)</sup>, two countries benefiting from a country-specific TRQ (Turkey and Russia) had almost exclusively exhausted the totality of the global TRQ in the last quarter of the first period of measures (1 April – 30 June 2019), and in some cases in a matter of days.
- (90) This was in particular the case in product category 13 (rebars), for which the global TRQ was exhausted on 27 May 2019, i.e. more than one month before the end of the quarter and despite the transfer of 23 % of the unused TRQ from the third quarter of 2018. In fact, the available volume was fully used by two countries benefiting from a country-specific TRQ (Turkey and Russia) that had crowded-out other, historically-smaller suppliers that were previously regularly using the global TRQ, such as Belarus and Serbia.
- (91) For product category 16 (non alloy and other alloy wire rod), the global TRQ was exhausted at the very beginning of the last quarter of the first period of measures (that is, on 2 April 2019) due to the massive use made by Turkey and to a lesser extent by Russia (they used 62 % and 33 % respectively of the total residual TRQ available for Q4). Smaller supplying countries, such as Bosnia and Herzegovina, Japan and South Korea, were therefore not able to export any longer without paying the 25 % above-quota tariff <sup>(20)</sup>.
- (92) In light of this analysis, the Commission found that, for these two product categories, the mechanism put in place to ensure that TRQs were fully exhausted has led to unintended effects. That is because the mechanism in place mainly allowed major suppliers to increase their level of exports beyond their traditional trade flows at the expense of smaller players that would have otherwise continued exporting up to the exhaustion of the residual quota.
- (93) The Commission considered that this development would run counter to the Union interest for two reasons. First, the exclusion of smaller exporting countries goes against the objective to preserve the traditional trade flows, also in terms of origin. Second, said development deprives the Union user industry of the supply of certain specialized types of steel under these categories that are only exported, in limited volumes, by smaller supplying countries.
- (94) The Commission, therefore, considered it necessary to put in place a quantitative cap for individual product origins. That is, during the last quarter of the two remaining periods of definitive measures, for product categories 13 and 16 (i.e. the categories where negative crowding-out effects have been observed), the use of the global TRQ will be limited to 30 % per supplying country. Under this limitation, not less than four supplying countries could make use of the TRQ.
- (95) The Commission deems this threshold to be appropriate for the following reasons: the import data assessed during the two quarters subject to definitive measures in 2019 has shown that no more than four exporting countries (in each of the two categories) had exported minimally-meaningful amounts <sup>(21)</sup> to the Union. The Commission considers that such a cap would not artificially restrict the access to the residual TRQ to any particular origin and would guarantee sufficient variety in the sources of supply for users in the Union.

<sup>(19)</sup> For product category 4, the exhaustion of its corresponding residual TRQ in Q4 has been individually assessed in Section 2.A above.

<sup>(20)</sup> These countries had exhausted the global TRQ available for the period 2 February – 31 March 2019.

<sup>(21)</sup> The Commission notes that, for both categories, no more than four exporting countries accounted individually for at least over 1 % of the imports under the residual TRQ in any of the two relevant quarters (February-March and April-June 2019).

- (96) In the Commission's view, this adjustment to the TRQ mechanism would strike an appropriate balance between, on the one hand, the objective to maximize TRQ use and, on the other, the aim to secure a minimum quantitative space for smaller supplying countries to continue exporting under the global TRQ without being excluded by major suppliers that have already exported volumes accounting for their traditional trade flows under their country-specific TRQ. This mechanism would also ensure that traditional trade flows in categories 13 and 16 are preserved in the interest of the Union, not only in volumes but also in terms of origin.
- (97) Some interested parties objected to the claims made about the existence of crowding-out, and argued instead that that export behavior of certain countries was simply the confirmation that the TRQ allocated was lower than required by the market.
- (98) In this respect, the Commission noted, as described in Section 2.A above, that, on the basis of its analysis of the data collected during the application of the definitive measures, the overall level of TRQs appears to be adequate so far and that, as explained in recitals (89) to (93), the Commission found negative crowding-out effects only in two product categories. For these latter categories, it is implementing an appropriate remedy that takes account of traditional trade flows of all supplying countries and balances the Union consumption interest against those trade flows.

## **2.C Potential detrimental effects in achieving the integration objectives pursued with preferential trading partners**

- (99) The Commission also investigated whether the functioning of the existing steel safeguard measures had caused any substantial risk to the stabilisation or economic development of certain preferential trading partners to an extent that would be detrimental to the integration objectives of their agreements with the Union. This in particular referred to the situation of some countries with whom the Union has concluded a Stabilisation and Association Agreement.

### *Comments made by the parties*

- (100) Under the Review investigation, the Western Balkan states – Bosnia and Herzegovina, the Republic of North Macedonia and the Republic of Serbia – have raised similar concerns and made similar claims as those concerns they already formulated before the adoption of the definitive safeguard measures.
- (101) These countries state that the definitive safeguard measures are limiting the expansion of their steel industry and their ability to export to the Union, posing risks of job losses, undermining their economic development, and compromising the integration and stabilisation objectives under their agreements with the Union. In particular, they claim that their country-specific TRQ in certain categories is too small and should be increased. They also claim that the current allocation of TRQs does not preserve traditional trade flows and, therefore, that TRQs should be re-distributed. These countries request an increase in the pace of liberalisation of the TRQs, arguing that demand in the Union has increased.
- (102) Serbia has notably reiterated that the average import volumes of the last three years used by the Commission to establish the TRQ levels, i.e. 2015 to 2017, is not representative of its historical trade with the Union. Serbia argued that that is particularly so since its sole steel plant had been on standstill during that period and that the plant's new owners managed to bring its traditional production and sales back to normal levels only recently. Serbia has claimed that such lower quota level is endangering the viability of the plant and producing serious negative effects for the development of the Western Balkan region as a whole. Finally, the Western Balkan states also request that, based on their special relations with the Union, they should be excluded from the scope of the measures on the same ground as countries that are members of the European Economic Area ('EEA').
- (103) Alternatively, they have made several claims and requests for specific product categories, namely: 1, 2, 5, 6, 16, 20 and 21.

### *Commission analysis*

- (104) With regard to the request to be excluded from the scope of the measures, the Commission would like to recall that, as per Article 2 of the WTO Agreement on Safeguards, safeguard measures shall be applied to the product under investigation being imported irrespective of source. The only exceptions to these rules concern the specific situation of certain developing country members, or – as the case may be – obligations deriving from bilateral agreements. In this case, however, the Stabilisation and Association Agreements that the EU has concluded with the Western Balkan countries were found to confirm that imports may be subject to safeguard measures taken in accordance with the WTO Agreement on Safeguards.

- (105) Concerning the requests for increased TRQ in a number of product categories on alleged grounds of increased demand, the Commission already addressed these claims in its detailed analysis of TRQ use described in Section 2.A above. The Commission concluded that the level of quotas is adequate and proportionate to preserve traditional trade flows and that there was no evidence of substantial increase in Union demand justifying a change in the level of the TRQ. Furthermore, the fact that in most product categories there were still volumes available at the end of the first year of application of the safeguard measures (30 June 2019) meant that these measures did not generally limit the ability for third countries to export steel to the Union. Thus, the Commission could not conclude that the current TRQ caused a detrimental effect in achieving the envisaged integration objectives.
- (106) One of the Western Balkans countries claimed that the measures should guarantee certain volume of exports – particularly in product categories 1 and 6 – which it considered necessary to keep its domestic industry viable and its economy stable. However, the analysis of individual TRQ use in these two product categories showed that that countries' ability to export to the EU was not unduly limited by the measures. In fact, the average exported volumes by this country in the third and fourth quarter of the first year of application of the safeguard measures (from 2 February to 30 June 2019) indicated that it even outperformed its previous projections.
- (107) With regard to product categories 6, 20, and 21, the Western Balkan countries which exhausted their country-specific TRQ claimed that an increase in their TRQ was necessary in order to offset the negative effect of the safeguard measures on their economies.
- (108) Following those claims, the Commission carried-out an in depth analysis of the trend underlying their exhaustion of the TRQ concerned and the use of residual TRQ in the last quarter of the first year of measures (1 April – 30 June 2019). This analysis showed that although some Western Balkan countries had indeed exhausted their country-specific TRQ before the end of the first period of measures (that is, before 30 June 2019), they were able to continue exporting to the Union under the relevant residual quotas until their exhaustion, and this happened only a few weeks before the release of the new quotas for the second period of measures on 1 July 2019. This fact, coupled with the additional export margin that the quota increase resulting from the liberalisation of the measures had provided as of 1 July 2019, lead the Commission to conclude that these claims are not sufficiently substantiated and that there was no need to increase the corresponding TRQ.
- (109) Furthermore, the Commission observed that the adjustments to the functioning of the TRQ system proposed in previous sections (2.A and 2.B) – such as the 30 % per-country limitation to the use of the global TRQ for product categories 1, 13, and 16 <sup>(22)</sup> –, which will enter into effect as a result of this review, will, in any case, also contribute to address some of the concerns raised by Western Balkan countries, especially as regards the protection of traditional export flows by historical Union suppliers.
- (110) Finally, one country claimed that it should be allocated a country-specific TRQ in product category 16, based on its export volume in 2017, which were slightly above the 5 % threshold. However, as already explained by the Commission in recital (147) of the Regulation (EU) 2019/159, the allocation of country-specific TRQs for all exporting countries is based on the average of imports over the last three years, i.e. 2015 to 2017, and not exclusively on the last year of this period. Therefore, this request could not be accepted.

## **2.D Update of the list of developing WTO member countries excluded from the scope of the measures based on updated import statistics**

- (111) In accordance with Article 18 of Regulation (EU) 2015/478 and the international obligations of the Union, namely Article 9.1 of the WTO Agreement on Safeguards, safeguard measures should not apply to any product originating in a developing country member of the WTO as long as its share of imports of that product into the Union does not exceed 3 %, provided that developing country members of the WTO with less than a 3 % import share collectively account for not more than 9 % of total Union imports of the product concerned. Moreover, it is in the Union interest to adapt the list of developing countries excluded from the scope of the measures in order to avoid that certain developing countries unjustifiably benefit from the original exclusion.

<sup>(22)</sup> As explained in section 2.B, for categories 13 and 16 the 30 % cap is only applicable in the fourth quarter of the relevant period (1 April – 30 June).

- (112) Following the adoption of definitive safeguard measures by Regulation (EU) 2019/159, the Commission committed to reviewing, on a regular basis, the list of developing countries potentially excluded from the scope of the measures based on updated import statistics.
- (113) For establishing the list of exclusions from the definitive measures, the Commission used the then-available most recent data, i.e. the second half of 2017 and the first half of 2018. For the purpose of updating this list as part of the review investigation, the Commission used a more updated and consolidated set of statistics, i.e. the full year 2018. The Commission took the full year 2018 as the new reference period because it is the most representative period with consolidated statistics. Moreover using the full year avoids any seasonality effects. For the relevant calculations, the imports from countries excluded under Article 6 of the Commission Implementing Regulation (EU) 2019/159 were not taken into consideration.

*Commission analysis*

- (114) Based on the full year 2018 data, imports from the following countries – which were so far excluded from the scope of the measure –exceeded the 3 % threshold in some products categories. Therefore, as a result of this review they should now be subjected to the measures:
- (115) Imports from Indonesia in product categories 8 (Stainless Hot Rolled Sheets and Strips) and 9 (Stainless Cold Rolled Sheets and Strips), representing 10,12 % and 3,77 %, respectively;
- (116) As regards product category 24 (Other Seamless Tubes), the overall import share of all developing countries below 3 % taken altogether exceeded the 9 % threshold in 2018 (10,74 %). Therefore, imports of product category 24 from all developing countries will be subject to safeguard measures.
- (117) The Commission then assessed whether, for categories 8, 9 and 24, the developing countries concerned would qualify for a country-specific TRQ <sup>(23)</sup>. To this end, the Commission assessed whether in the period 2015-2017, the imports of these categories by the countries concerned amounted at least to 5 % of the total imports in that period in any category. The result showed that none of them qualified for a country-specific TRQ. Therefore, all of these countries will fall under the residual TRQ in the respective categories.
- (118) As regards exclusions from the scope of the safeguard measures, the outcome of this review are the following:
- (119) Imports from Brazil in product categories 8 (Stainless Hot Rolled Sheets and Strips) and 17 (Angles, Shapes and sections of Iron or Non Alloy Steel) will be excluded from the scope of the measures, as in 2018 the level of imports fell below 3 % (2,22 % and 2,52 %, respectively).
- (120) Imports from Ukraine in product categories 1 (Non Alloy and Other Alloy Hot Rolled Sheets and Strips) and 19 (Railway Material) will not be subject to the measures, as in 2018 the level of imports fell below 3 % (1,68 % and 0,6 % respectively).
- (121) Imports from Egypt in product category 12 (Non Alloy and Other Alloy Merchant Bars and Light Sections) will not be subject to the measures, as in 2018 the level of imports fell below 3 % (2,41 %).
- (122) Imports from India in product category 8 (Stainless Hot Rolled Sheets and Strips) will not be subject to the safeguard measures, as in 2018 the level of imports fell below 3 % (2,87 %).
- (123) Imports from Turkey in product category 10 (Stainless Hot Rolled Quarto Plates) will not be subject to the safeguard measures, as in 2018 the level of imports fell below 3 % (2,58 %).
- (124) Imports from China in product category 22 (Seamless Stainless Tubes and Pipes) will not be subject to the safeguard measures, as in 2018 the level of imports fell below 3 % (2,61 %).
- (125) The country-specific TRQs of those developing countries members of the WTO that will be excluded from the measures following the review will be transferred to the relevant residual TRQ. The precise quantitative amount of the TRQ to be transferred will be calculated once the first quarter of the relevant period is complete (that is, 1 July – 30 September 2019), in order to assess how much of the country-specific TRQ may have already been used. Once the calculation is carried out, the available TRQ will be transferred to the relevant residual TRQ within 20 working days.

<sup>(23)</sup> This approach was not applicable for categories 1 and 25, given that they consist of a residual TRQ.

- (126) Following this re-calculation exercise, the Commission updated the list of exclusions on the basis of the updated import figures as explained in recitals (114) to (124) for each of the 26 product categories subject to measures (the full updated list is enclosed in Annex II).
- (127) The Commission received several other submissions concerning this review issue. In particular, parties proposed to select different periods in order to calculate the amount of imports. Some parties also requested to be exempted despite acknowledging that they could be exceeding the relevant threshold. Other parties, which were so far excluded from the safeguard measures claimed that they should be given a period to adjust to the new situation whereby they would be subject to the measures. An interested party claimed that the Commission would not be allowed to make any developing country that was previously excluded subject to the measures, as it would run contrary to the WTO obligations of making the measure progressively less-restrictive throughout its lifespan. Lastly, some interested parties asked to obtain a country-specific TRQ if subjected to safeguard measures.
- (128) The Commission noted the following. First, in Regulation (EU) 2019/159, as well as in the Notice of Initiation of the Review Investigation, the Commission made it clear that it would update the list of developing countries that would be exempted from the definitive measures on the basis of more recently available data. Therefore, all interested parties were informed well in advance that such a revision was going to take place. Moreover, the Commission based itself on publicly available import data. Thus all interested parties could reasonably anticipate whether they would likely be subject to measures on account of their more recent development of imports in a given product category. Therefore, the claims that an adjustment period would be required are dismissed.
- (129) Second, in accordance with Article 18 of Regulation (EU) 2015/478, which mirrors Article 9.1 of the WTO Agreement on Safeguards, imports of such countries are to be excluded from the measures concerned *'as long as that country's share of Union imports of the product concerned does not exceed 3 %, provided that developing country members of the WTO with less than a 3 % import share collectively account for not more than 9 % of total Union imports of the product concerned'*.
- (130) Therefore, the exemption for developing countries is not unconditional for the whole duration of the measures. It was on this basis that the Commission decided to review the list of exemptions on the basis of more recent data. Furthermore, the Commission could not accept the claim that a country excluded at the stage of adoption of definitive measures, could not be made subject to measures in the framework of the review as this would be more restrictive. In fact, the Commission noted that the definitive safeguard measures were being progressively liberalized, including as a result of the review (see Section 2.E). The measures concerned are thus not more restrictive than at the end of the first year of the measures. The fact that a developing country which is no longer meeting the legal criteria to be excluded, is made subject to the measures is the mere fulfilment of EU and WTO obligations under Article 18 of Regulation (EU) 2015/478 and Article 9.1 of the WTO Agreement on Safeguards. Therefore, this claim was rejected.
- (131) The Commission recalled also that as long as the relevant thresholds were met, it had no discretion to decide whether a country should be made subject to the measures or not. Any other interpretation, as suggested by some interested parties, would be in breach of Article 18 of Regulation (EU) 2015/478.
- (132) Lastly, the Commission, assessed whether any of the countries now being made subject to measures in a given product category would qualify for a country-specific TRQ. As noted in recital (117) above, it came to the conclusion that none of these countries satisfied the conditions for a country-specific TRQ.

## **2.E Other changes of circumstances that may require an adjustment to the level of allocation of the TRQ**

- (133) EUROFER and some Member States requested that the Commission removes or reduces the liberalisation of the definitive safeguard measures because of an alleged stagnation on the Union market for steel. According to EUROFER, these levels of liberalisation largely exceeded the growth outlook for the Union steel sector and would therefore seriously undermine the effectiveness of the measures. ESTA also supported this request by EUROFER and suggested that, in exchange for the removal of the liberalization, the Commission reduce the above-quota tariff from 25 % to 20 %.



- (134) The Commission recalled that the Regulation (EU) 2019/159 established that, in order to liberalise these measures progressively, the levels of all the free-of-duty quotas would be increased by 5 % at the end of the first and at the end of the second year of measures. That is, on 1 July 2019 and 1 July 2020 respectively <sup>(24)</sup>.
- (135) The Commission also recalled that the purpose of the present review was precisely to make any appropriate adjustments to the measures that might be necessary to keep these safeguard measures adapted to the evolution of the EU steel market, on the basis of the Union interest.
- (136) Article 5 (1) of the WTO Agreement on Safeguards provides that: ‘A member shall apply safeguard measures only to the extent necessary to prevent or remedy serious injury and to facilitate adjustment’. This principle is transposed into EU law by means of Article 15 (1) of Regulation (EU) 2015/478. For its part, Article 7(1) of the WTO Agreement on Safeguards specifies that safeguard measures will be applied ‘only for such a period of time as may be necessary to prevent or remedy serious injury and to facilitate adjustment’. Article 19 (1) and (2) of Regulation (EU) 2015/478 transpose this principle into EU law. Article 7 (4) of the WTO Agreement on Safeguards obliges members applying safeguard measures to progressively liberalise it at regular intervals with a view to ‘facilitat(ing) adjustment (...) in a situation where the expected duration of a safeguard measure (...) is over one year’. The same requirement is contained in Article 19 (2) of Regulation (EU) 2015/478.
- (137) Although liberalizing a safeguard measures after its first year of application is a legal obligation under Union and WTO law, those rules do not establish any particular requirement as to the form or concrete pace of liberalisation, other than such liberalisation should occur progressively at regular intervals during the period of application.
- (138) However, in any event, and as a matter of consistency, the liberalisation of any safeguard measures, both in form and pace, should not undermine the intended effect of the safeguard measures themselves. That is because the measures should, shield the domestic market from imports for as long as it is necessary to prevent or remedy serious injury and to facilitate adjustment, as Article 7 (1) of the WTO Agreement on Safeguards allows. It would be incongruous if the terms of liberalisation of the measures concerned were to frustrate this objective.
- (139) In order to assess the consistency of a 5 % + 5 % liberalisation pace of the quantitative threshold of the TRQ with the existing safeguard measures, the Commission considered it necessary to integrate two types of analyses. On the one hand, the Commission performed a backward-looking analysis that sought to assess, in light of all the information collected during the review investigation, the adequacy of the existing quantitative threshold of the TRQ for the prevention of and remedy to serious injury to the EU steel industry. On the other hand, the Commission sought to perform a forward-looking analysis that verified whether the intended liberalisation of 5 % + 5 % would be in line with the prediction of the most recent general economic and industrial outlooks in the Union.
- (140) In this regard, it is recalled that the Regulation (EU) 2019/159 took the average imports of the period 2015-2017 as the basis for the calculation of the quantitative threshold of the TRQ during the first year of measures. This average was topped-up with a 5 % increase to account for increased demand on the EU market. This resulted, *de facto*, in a quantitative level that was almost the volume of the entirety of imports for the products under measures during the calendar year 2017 (30,1 million tonnes as quantitative threshold in contrast to 30,09 million tonnes of imports during the year 2017). Based on the evidence collected for the period of investigation (that is, for the period 2013-2017), the Commission found that the trend leading to this level of imports had placed the EU steel industry in a situation of threat of serious injury <sup>(25)</sup>.
- (141) The analysis in Regulation (EU) 2019/159 (which based itself on the at-the-time most-recent post-2017, that is to say statistical data until September 2018) confirmed that a further increase of imports had worsened the outlook of the Union industry <sup>(26)</sup>.

<sup>(24)</sup> See recital (188) of Regulation (EU) 2019/159.

<sup>(25)</sup> Section 5.1 to 5.5 of the definitive Regulation.

<sup>(26)</sup> Section 5.6 of the definitive Regulation.

- (142) That being said, reliable import statistics for the total imports of steel products during the calendar year 2018 were available only after the first quarter of 2019 (that is, about three months after the Commission had decided the definitive safeguard measures). These statistics showed that the total imports of steel products under measures reached a record of 33,4 million tonnes in 2018, far above the total level of imports reached during the year 2017 as well as far above the average quantitative threshold determined on the basis of the period of investigation <sup>(27)</sup>.
- (143) In light of those findings, if the Commission were to confirm the 5 % + 5 % liberalisation pace of Regulation (EU) 2019/159, the total volume of quotas made available for the second and third year of measures (that is, 2019-2020 and 2020-2021) would be 31,6 million tonnes and 33,2 million tonnes respectively. That type of liberalisation scenario would mean that, during the third year of application of safeguard measures (that is, 1 July 2020 – 30 June 2021), the Commission would allow imports to reach almost the same volume as that measured in 2018 (that is, about 33,4 million tonnes). That volume would be 3,3 million tonnes above the 2017 level considered by the Commission as causing a threat of serious injury, and, as such, highly distorting the functioning of the Union market.
- (144) The automatic acceptance of that level of imports, without the ability to assess the potential effects of those imports would, accordingly compromise the *effet utile* of the measures concerned. Indeed, as the definitive Regulation stressed <sup>(28)</sup>, the 2018 level of imports contain substantial trade diversion caused by the U.S. Section 232 measures, as well as out-of-measures imports that could not have been taken account of in the preparation of the provisional measures in July 2018 (including significant volume levels having entered the Union market under the shipping clause contained in Article 4 of Regulation (EU) 2018/1013 <sup>(29)</sup>).
- (145) In other words, in light of the full dataset of 2018, the 5 % + 5 % liberalisation pace would be inconsistent with the definitive safeguard measures imposed to tackle unforeseen substantial imports of the product concerned. If the liberalisation of the definitive measures were not adjusted, the Commission would permit an unprecedented level of steel imports into the Union during the third year of measures, without the possibility of tackling that distortive import volume, and thus potentially assisting the 'threat of serious injury' to further materialize.
- (146) Therefore, the Commission concluded that a cumulative 5 % + 5 % liberalisation, as requested by interested parties, without the possibility of review of the effects arising from that liberalisation, should be considered disproportionate to 'prevent or remedy serious injury and facilitate adjustments' within the meaning of Article 7 (1) of the WTO Agreement on Safeguards and Article 19 (1) and (2) of Regulation (EU) 2015/478.)
- (147) Consequently, the Commission considered it necessary to lower the currently-expected liberalisation rate. In this respect a cumulative 3 % + 3 % for the second and third year of application of the safeguard measures is considered to be appropriate. In fact, this less pronounced rate of liberalisation will have the effect that the total level of quotas during the third year of measures will remain at 31,6 million tonnes, that is to say 1,5 million tonnes below the distorted 2018 record. It should also be noted that this adjustment would fully preserve the liberalisation effect, as, under this rate of liberalisation, the level of quotas during the second year of application of the safeguard measures would be of 31 million tonnes (and so represent about one million tonnes more than the level of imports measured during 2017). The Commission deemed this rate to represent a more evenly distributed effort to facilitate adjustment for the Union industry, with quota increases of 0,9 and 0,9 at the end of the first and second year of measures (that is, on 30 June 2019 and 30 June 2020). Thereafter, imports would be allowed to increase by 1,5 million tonnes to possibly reach the 2018 level only after the complete lifting of the definitive measures after the three-year period foreseen in WTO and Union law.
- (148) It should finally be noted that, forward-looking, this lowered rate of liberalisation is in line with the most-recently published general economy and industrial outlooks, which foresee a growth reduction for the Union and the world economy.

<sup>(27)</sup> The main exporting countries that led the import surge in 2018 were: Turkey, Russia and Taiwan with, respectively, 2,7, 0,9 and 0,5 million tonnes more than their corresponding 2017 levels.

<sup>(28)</sup> Recital (179) of the definitive Regulation.

<sup>(29)</sup> Commission Implementing Regulation (EU) 2018/1013 of 17 July 2018 imposing provisional safeguard measures with regard to imports of certain steel products

- (149) Thus, in its World Economic Outlook of April 2019, the IMF stated: *'Global growth is set to moderate from 3,6 percent in 2018 to 3,3 percent in 2019, and then to return to 3,6 percent in 2020. Growth in the euro area is set to moderate from 1,8 percent in 2018 to 1,3 percent in 2019 (0,6 percentage point lower than projected in October) and 1,5 percent in 2020. Although growth is expected to recover in the first half of 2019 as some of the temporary factors that held activity back dissipate, carryover from the weakness in the second half of 2018 is expected to hold the 2019 growth rate down'*.
- (150) For its part, in its recent Spring Economic Forecast, the Commission observed as follows: *'From 1,9 % in 2018, euro area GDP growth is forecast to moderate to 1,2 % this year and to pick up to 1,5 % in 2020, when the growth rate will be flattered by a higher number of working days. GDP in all Member States is expected to grow over the forecast horizon. However, given the weakness in late 2018, these projections are markedly lower than last autumn and slightly below the winter interim forecast'*.
- (151) As regards the industrial outlook, the slowdown in the EU manufacturing activity in the recent months is predicted to be worse than forecasted at the beginning of the year. These deteriorating business conditions in the industrial sector are reducing the demand for steel. EUROFER Steel Outlook 2019-2020 of 18 July 2019 furthermore forecasts a decrease in EU steel real consumption of – 0,4 % for 2019, which would be the first year-on-year fall since 2013.
- (152) Recent industry reports also confirm a deepening of the manufacturing downturn. The Global Steel Users Purchasing Managers Index (PMI) report released on 5 July 2019 by IHS Markit notes in this regard as follows: *'Steels users in Europe are still in the midst of a deep slowdown, prompted by weak automotive output and deteriorating global trade conditions'*. Similarly, in its Flash Eurozone PMI of release of 24 July 2019, IHS Markit further describes economic conditions as follows: *'The manufacturing sector has become an increasing cause for concern. Geopolitical worries, Brexit, growing trade frictions and the deteriorating performance of the autos sector in particular has pushed manufacturing into the deeper downturn with the survey indicative of the goods-producing sector contracting at a quarterly rate of approximately 1 %.'*
- (153) As a result, in the last months, consumers of steel continued to see new orders decline due to weaker demand of durable goods. The lower output in steel using industries and the contraction of their demand are driving the steel demand down.
- (154) As regards demand in the automotive industry, the outlook is no different. Annual output growth indicators published by Oxford Economics and FERI for Q2 2019 showed the weakest performance in the automotive industry since the global financial crisis with a likely negative output growth during first half of 2019 both globally and in Western Europe and also in car registration in Western Europe. FERI also highlights that *'consumers remain on the sidelines because of heightened sense of uncertainty about the future of transportation'*. The lack of clarity in the transition from traditional combustion engines towards new fuel forms represents an outstanding challenge that is delaying the pick-up expectations for the automotive industry. In the meantime, the output drop in the automotive industry is driving the overall downturn in manufacturing activity. Recent surveys signal *'a sustained downturn in the global automobile & auto parts sector. Output fell for the eight month running, as did new orders. Purchases of inputs by makers of autos and auto parts contracted at the fastest rate in nearly seven years. Five other sectors registered lower output in May, all manufacturing-related except for real estate. The most notable in this group were industrial goods and metals & mining, where production declined for the fifth and eight successive months respectively.'*

- (155) For its part, Oxford Economics and FERI also describe that growth has continued to slow down significantly in the engineering and metal goods industries during the first half of 2019, in line with weaker demand because of slower global trade and capital expenditure in Europe. Finally, although, with strong variations from country to country, the construction sector is outperforming other steel-using industries in Europe with continued growth, but its growth is moderate and its strength is being held back in Europe by a series of constraints, such as the lack of skill labour and the gradual lending tightening as a result of raising interest rates.
- (156) Accordingly, the Commission considered that it would be in the Union interest to lower the liberalisation rate to a cumulative 3 % + 3 % for the second and third year of measures. For this purpose, on 1 October 2019 (i.e. the beginning of the second quarter of the second year of measures) the remaining quotas for the second year of measures will be adjusted downwards, so that the total increase for the year is 3 %. In addition, on 1 July 2020, that is, at the end of the second year of measures, all the free-of-duty quotas should be further increased by an additional 3 %.

*Other comments*

- (157) In addition to the comments on the level of liberalization, the Commission also received submissions concerning other matters falling within this section. These are addressed as follows:
- (158) Some interested parties claimed that their individual exports to the Union could not cause or threaten to cause injury to the Union producers. In addition, they claimed that one country alone is not liable to pose a risk of trade diversion.
- (159) In this respect, the Commission recalls that, in line with Union and WTO rules, the current measures are *erga omnes* and therefore cover imports from all origins, except for the very few duly justified exemptions granted. The analysis on whether there was an absolute increase of imports, a threat of serious injury, or a risk of trade diversion cannot thus be done individually per exporting country but is done on the basis of all the imports aggregated. Therefore, this claim is considered to be unfounded.
- (160) Some interested parties pointed at the recent developments regarding measures on steel in other jurisdictions to show that the risk of trade diversion was reduced. In this regard, they referred to the exclusions from the U.S. Section 232 measures of Mexico and Canada, the termination without measures of the Turkish steel safeguard investigation, and the imposition of safeguard measures by Canada on a more limited scope than initially expected.
- (161) The Commission did not consider that the risk of trade diversion stemming from the U.S. Section 232 measures had been reduced or even disappeared as a result of the recent developments. On the one hand, Canada and Mexico were not amongst the main historical suppliers of steel to the Union. This was corroborated by the fact that none of the two countries had country-specific TRQ. On the other hand, such development under the US measures could have just the opposite effects. In fact, if two of the largest steel suppliers to the US can resume exported free-of-duty to the US market, this would further reduce the possibilities for other competing exporting countries to supply to the US market. Hence, the risk of trade diversion towards the Union could arguably be even greater. With respect to the Turkish and Canadian steel safeguard investigations, the Commission notes that this development did not have any substantial impact on the findings about the risk of trade diversion in the Union. In fact, as regards Turkey, the non-imposition of measures by this country leaves the situation unchanged.
- (162) Certain interested parties submitted that the Commission should include and/or exclude certain product categories and/or subcategories from the scope of the measures.
- (163) The Commission notes that the product scope of the existing safeguard measures is defined by Regulation (EU) 2019/159 and that amending the scope falls outside this review.
- (164) Some parties also insisted that the measures in place did not meet the standards of the WTO Agreement on Safeguards and, hence that they should be terminated.
- (165) The Commission highlights that the Regulations imposing provisional and definitive safeguard measures were sufficiently substantiated as regards their legal grounds. The Commission refers to the explanations provided in such legal acts.

- (166) Lastly, several interested parties asked the Commission to provide a mechanism place to deal with the withdrawal of the United Kingdom from the Union ('Brexit').
- (167) The Commission notes that at the stage of adoption of the adjustments under this review, the terms under which the United Kingdom will withdraw from the Union are still uncertain. Therefore, no adjustments related to the withdrawal of the United Kingdom from the Union can be made at this stage. The Commission will re-examine promptly the situation in view of any developments concerning Brexit.
- (168) Finally, the Commission noted that the present review amending the ongoing safeguard measures also complies with the obligations arising from the bilateral Agreements signed with certain third countries,

HAS ADOPTED THIS REGULATION:

#### *Article 1*

Regulation (EU) 2019/159 is amended as follows:

1) Article 1 is amended as follows:

(a) Paragraphs 2 and 3 are replaced by the following:

'2 For each of the product categories concerned, and with the exception of product category 1 and product category 25, a part of each tariff-rate quota is allocated to the countries specified in Annex IV. In order to benefit from the relevant tariff-rate quota, steel products falling under category 4B shall be placed under the end-use procedure referred to in Article 254 of Regulation (EU) No 952/2013 in order to demonstrate that they are used for the manufacturing of automotive parts.

3 The remaining part of each tariff-rate quota, as well as the tariff-rate quota for product category 1, shall be allocated on a first-come-first-served basis, based on a tariff-rate quota established equally for each quarter of the period of imposition. For category 1, no country shall be allowed to use more than 30 % of the tariff-rate quota available in each of the quarter.'

(b) Paragraph 5 is replaced by the following:

'5 Where the relevant quota under paragraph 2 is exhausted for one specific country, imports from that country can be made under the remaining part of the tariff-rate quota for the same product category. This provision shall only apply during the last quarter of each year of application of the definitive tariff-rate quota. For product categories 13 and 16, no exporting country shall be allowed to use, on its own, more than 30 % of the residual tariff-rate quota of the last quarter of each year of application of measures.'

2) The Annexes are amended as follows:

(a) Annex III.2 replaced by Annex I to this Regulation.

(b) Annex IV is replaced by Annex II to this Regulation.

#### *Article 2*

1. The unused volumes of tariff-rate quotas allocated to developing countries that will be excluded from the safeguard measures laid down in Regulation (EU) 2019/159 upon the entry into force of this Regulation, shall be allocated to the residual tariff-rate quotas in the relevant product categories.

2. The unused volumes of country-specific tariff-rate quotas in product category 25 shall be allocated to the residual tariff-rate quota upon the entry into force of this Regulation.

3. The drawings on the relevant country-specific tariff-rate quotas referred to in paragraphs 1 and 2 shall be stopped on 4 November 2019.

#### *Article 3*

This Regulation shall enter into force on 1 October 2019.

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This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 26 September 2019.

*For the Commission*  
*The President*  
Jean-Claude JUNCKER

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## III.2 – List of product categories originating in developing countries to which the definitive measures apply

Country / Product group	1	2	3	4	5	6	7	8	9	10	12	13	14	15	16	17	18	19	20	21	22	24	25	26	27	28
Brazil	x	x				x	x															x				
China			x	x		x		x		x	x			x			x	x		x		x	x	x	x	x
Egypt	x																					x				
India	x	x	x	x	x	x	x		x	x			x	x					x		x	x		x		
Indonesia							x	x	x													x				
Malaysia									x													x				
Mexico																						x				
Moldova												x			x							x				
North Macedonia					x		x												x	x		x				
Thailand									x													x				
Turkey	x	x		x	x				x		x	x			x	x		x	x	x		x	x	x	x	x
Ukraine		x					x					x	x		x	x			x	x	x	x			x	x
United Arab Emirates																x	x		x			x		x		
Vietnam		x		x					x													x				
All other developing countries																						x'				

## IV.1 – Volumes of tariff-rate quotas

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
1	Non Alloy and Other Alloy Hot Rolled Sheets and Strips	7208 10 00, 7208 25 00, 7208 26 00, 7208 27 00, 7208 36 00, 7208 37 00, 7208 38 00, 7208 39 00, 7208 40 00, 7208 52 10, 7208 52 99, 7208 53 10, 7208 53 90, 7208 54 00, 7211 13 00, 7211 14 00, 7211 19 00, 7212 60 00, 7225 19 10, 7225 30 10, 7225 30 30, 7225 30 90, 7225 40 15, 7225 40 90, 7226 19 10, 7226 91 20, 7226 91 91, 7226 91 99	All third countries	3 359 532,08	8 476 618,01	8 730 916,55	25 %	( <sup>1</sup> )
2	Non Alloy and Other Alloy Cold Rolled Sheets	7209 15 00, 7209 16 90, 7209 17 90, 7209 18 91, 7209 25 00, 7209 26 90, 7209 27 90, 7209 28 90, 7209 90 20, 7209 90 80, 7211 23 20, 7211 23 30, 7211 23 80, 7211 29 00, 7211 90 20, 7211 90 80, 7225 50 20, 7225 50 80, 7226 20 00, 7226 92 00	India	234 714,39	592 220,64	609 987,26	25 %	09.8801
			Korea (Republic of)	144 402,99	364 351,04	375 281,57	25 %	09.8802
			Ukraine	102 325,83	258 183,86	265 929,38	25 %	09.8803
			Brazil	65 398,61	165 010,80	169 961,12	25 %	09.8804
			Serbia	56 480,21	142 508,28	146 783,53	25 %	09.8805
			Other countries	430 048,96	1 085 079,91	1 117 632,31	25 %	( <sup>2</sup> )



Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
3.A	Electrical Sheets (other than GOES)	7209 16 10, 7209 17 10, 7209 18 10, 7209 26 10, 7209 27 10, 7209 28 10	Korea (Republic of)	1 923,96	4 854,46	5 000,09	25 %	09.8806
			China	822,98	2 076,52	2 138,81	25 %	09.8807
			Russia	519,69	1 311,25	1 350,58	25 %	09.8808
			Iran (Islamic Republic of)	227,52	574,06	591,28	25 %	09.8809
			Other countries	306,34	772,95	796,14	25 %	( <sup>3</sup> )
3.B		7225 19 90, 7226 19 80	Russia	51 426,29	129 756,46	133 649,15	25 %	09.8811
			Korea (Republic of)	31 380,40	79 177,59	81 552,92	25 %	09.8812
			China	24 187,01	61 027,57	62 858,39	25 %	09.8813
			Taiwan	18 144,97	45 782,56	47 156,04	25 %	09.8814
			Other countries	8 395,39	21 182,87	21 818,36	25 %	( <sup>4</sup> )
4.A	Metallic Coated Sheets	CN codes: 7210 20 00, 7210 30 00, 7210 41 00, 7210 49 00, 7210 61 00, 7210 69 00, 7210 90 80, 7212 20 00, 7212 30 00, 7212 50 20, 7212 50 30, 7212 50 40, 7212 50 61, 7212 50 69, 7212 50 90, 7225 91 00, 7225 92 00, 7225 99 00, 7226 99 10, 7226 99 30, 7226 99 70	Korea (Republic of)	69 571,10	252 796,63	260 380,53	25 %	09.8816
			India	83 060,42	508 805,84	524 070,02	25 %	09.8817
			Other countries	761 518,93	1 921 429,81	1 979 072,71	25 %	( <sup>5</sup> )

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
4.B		CN Codes: 7210 20 00, 7210 30 00, 7210 90 80, 7212 20 00, 7212 50 20, 7212 50 30, 7212 50 40, 7212 50 90, 7225 91 00, 7226 99 10  TARIC codes: 7210 41 00 80, 7210 49 00 80, 7210 61 00 80, 7210 69 00 80, 7212 30 00 80, 7212 50 61 80, 7212 50 69 80, 7225 92 00 80, 7225 99 00 25, 7225 99 00 95, 7226 99 30 90, 7226 99 70 19, 7226 99 70 96  Only for automotive industry	China	204 951,07	517 123,19	532 636,89	25 %	09.8821
			Korea (Republic of)	249 533,26	552 352,93	568 923,52	25 %	09.8822
			India	118 594,25	Not applicable	Not applicable	25 %	09.8823
			Taiwan	49 248,78	124 262,26	127 990,13	25 %	09.8824
			Other countries	125 598,05	316 903,26	326 410,36	25 %	( <sup>6</sup> )
5	Organic Coated Sheets	7210 70 80, 7212 40 80	India	108 042,36	272 607,54	280 785,77	25 %	09.8826
			Korea (Republic of)	103 354,11	260 778,38	268 601,73	25 %	09.8827
			Taiwan	31 975,79	80 679,86	83 100,26	25 %	09.8828
			Turkey	21 834,45	55 091,68	56 744,43	25 %	09.8829
			North Macedonia	16 331,15	41 206,02	42 442,20	25 %	09.8830
			Other countries	43 114,71	108 785,06	112 048,61	25 %	( <sup>7</sup> )

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
6	Tin Mill products	7209 18 99, 7210 11 00, 7210 12 20, 7210 12 80, 7210 50 00, 7210 70 10, 7210 90 40, 7212 10 10, 7212 10 90, 7212 40 20	China	158 139,17	399 009,55	410 979,83	25 %	09.8831
			Serbia	30 545,88	77 071,98	79 384,14	25 %	09.8832
			Korea (Republic of)	23 885,70	60 267,31	62 075,33	25 %	09.8833
			Taiwan	21 167,00	53 407,61	55 009,83	25 %	09.8834
			Brazil	19 730,03	49 781,91	51 275,37	25 %	09.8835
			Other countries	33 167,30	83 686,22	86 196,80	25 %	( <sup>8</sup> )
7	Non Alloy and Other Alloy Quarto Plates	7208 51 20, 7208 51 91, 7208 51 98, 7208 52 91, 7208 90 20, 7208 90 80, 7210 90 30, 7225 40 12, 7225 40 40, 7225 40 60	Ukraine	339 678,24	857 060,63	882 772,45	25 %	09.8836
			Korea (Republic of)	140 011,38	353 270,32	363 868,43	25 %	09.8837
			Russia	115 485,12	291 386,78	300 128,38	25 %	09.8838
			India	74 811,09	188 759,93	194 422,72	25 %	09.8839
			Other countries	466 980,80	1 178 264,65	1 213 612,59	25 %	( <sup>9</sup> )
8	Stainless Hot Rolled Sheets and Strips	7219 11 00, 7219 12 10, 7219 12 90, 7219 13 10, 7219 13 90, 7219 14 10, 7219 14 90, 7219 22 10, 7219 22 90, 7219 23 00, 7219 24 00, 7220 11 00, 7220 12 00	China	87 328,82	220 344,09	226 954,41	25 %	09.8841
			Korea (Republic of)	18 082,33	45 624,52	46 993,26	25 %	09.8842
			Taiwan	12 831,07	32 374,77	33 346,02	25 %	09.8843
			United States of America	11 810,30	29 799,22	30 693,19	25 %	09.8844
			Other countries	10 196,61	25 727,62	26 499,45	25 %	( <sup>10</sup> )

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
9	Stainless Cold Rolled Sheets and Strips	7219 31 00, 7219 32 10, 7219 32 90, 7219 33 10, 7219 33 90, 7219 34 10, 7219 34 90, 7219 35 10, 7219 35 90, 7219 90 20, 7219 90 80, 7220 20 21, 7220 20 29, 7220 20 41, 7220 20 49, 7220 20 81, 7220 20 89, 7220 90 20, 7220 90 80	Korea (Republic of)	70 813,18	178 672,60	184 032,77	25 %	09.8846
			Taiwan	65 579,14	165 466,29	170 430,28	25 %	09.8847
			India	42 720,54	107 790,51	111 024,22	25 %	09.8848
			United States of America	35 609,52	89 848,32	92 543,77	25 %	09.8849
			Turkey	29 310,69	73 955,39	76 174,05	25 %	09.8850
			Malaysia	19 799,24	49 956,54	51 455,24	25 %	09.8851
			Vietnam	16 832,28	42 470,43	43 744,55	25 %	09.8852
			Other countries	50 746,86	128 042,17	131 883,44	25 %	( <sup>11</sup> )
10	Stainless Hot Rolled Quarto Plates	7219 21 10, 7219 21 90	China	6 765,50	17 070,40	17 582,51	25 %	09.8856
			India	2 860,33	7 217,07	7 433,58	25 %	09.8857
			Taiwan	1 119,34	2 824,27	2 908,99	25 %	09.8858
			Other countries	1 440,07	3 633,52	3 742,52	25 %	( <sup>12</sup> )

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
12	Non Alloy and Other Alloy Merchant Bars and Light Sections	7214 30 00, 7214 91 10, 7214 91 90, 7214 99 31, 7214 99 39, 7214 99 50, 7214 99 71, 7214 99 79, 7214 99 95, 7215 90 00, 7216 10 00, 7216 21 00, 7216 22 00, 7216 40 10, 7216 40 90, 7216 50 10, 7216 50 91, 7216 50 99, 7216 99 00, 7228 10 20, 7228 20 10, 7228 20 91, 7228 30 20, 7228 30 41, 7228 30 49, 7228 30 61, 7228 30 69, 7228 30 70, 7228 30 89, 7228 60 20, 7228 60 80, 7228 70 10, 7228 70 90, 7228 80 00	China	166 217,87	419 393,33	431 975,13	25 %	09.8861
			Turkey	114 807,87	289 677,97	298 368,31	25 %	09.8862
			Russia	94 792,44	239 175,96	246 351,24	25 %	09.8863
			Switzerland	73 380,52	185 150,38	190 704,90	25 %	09.8864
			Belarus	57 907,73	146 110,15	150 493,45	25 %	09.8865
			Other countries	76 245,19	192 378,37	198 149,72	25 %	(13)
13	Rebars	7214 20 00, 7214 99 10	Turkey	117 231,80	295 793,93	304 667,74	25 %	09.8866
			Russia	94 084,20	237 388,96	244 510,63	25 %	09.8867
			Ukraine	62 534,65	157 784,58	162 518,11	25 %	09.8868
			Bosnia and Herzegovina	39 356,10	99 301,53	102 280,57	25 %	09.8869
			Moldova	28 284,59	71 366,38	73 507,37	25 %	09.8870
			Other countries	217 775,50	549 481,20	565 965,64		(14)
14	Stainless Bars and Light Sections	7222 11 11, 7222 11 19, 7222 11 81, 7222 11 89, 7222 19 10, 7222 19 90, 7222 20 11, 7222 20 19, 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81, 7222 20 89, 7222 30 51, 7222 30 91, 7222 30 97, 7222 40 10, 7222 40 50, 7222 40 90	India	44 433,00	112 111,32	115 474,66	25 %	09.8871
			Switzerland	6 502,75	16 407,44	16 899,66	25 %	09.8872
			Ukraine	5 733,50	14 466,50	14 900,50	25 %	09.8873
			Other countries	8 533,24	21 530,68	22 176,60	25 %	(15)

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
15	Stainless Wire Rod	7221 00 10, 7221 00 90	India	10 135,23	25 572,75	26 339,94	25 %	09.8876
			Taiwan	6 619,68	16 702,47	17 203,54	25 %	09.8877
			Korea (Republic of)	3 300,07	8 326,58	8 576,37	25 %	09.8878
			China	2 216,86	5 593,48	5 761,29	25 %	09.8879
			Japan	2 190,40	5 526,72	5 692,52	25 %	09.8880
			Other countries	1 144,43	2 887,57	2 974,20	25 %	(16)
16	Non Alloy and Other Alloy Wire Rod	7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50, 7227 90 95	Ukraine	149 009,10	375 972,95	387 252,14	25 %	09.8881
			Switzerland	141 995,22	358 275,86	369 024,13	25 %	09.8882
			Russia	122 883,63	310 054,37	319 356,00	25 %	09.8883
			Turkey	121 331,08	306 137,03	315 321,14	25 %	09.8884
			Belarus	97 436,46	245 847,23	253 222,65	25 %	09.8885
			Moldova	73 031,65	184 270,12	189 798,22	25 %	09.8886
			Other countries	122 013,20	307 858,13	317 093,88	25 %	(17)

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
17	Angles, Shapes and Sections of Iron or Non Alloy Steel	7216 31 10, 7216 31 90, 7216 32 11, 7216 32 19, 7216 32 91, 7216 32 99, 7216 33 10, 7216 33 90	Ukraine	42 915,19	108 281,65	111 530,10	25 %	09.8891
			Turkey	38 465,03	97 053,20	99 964,79	25 %	09.8892
			Korea (Republic of)	10 366,76	26 156,94	26 941,65	25 %	09.8893
			Russia	9 424,08	23 778,40	24 491,75	25 %	09.8894
			Brazil	8 577,95	Not applicable	Not applicable	25 %	09.8895
			Switzerland	6 648,01	16 773,96	17 277,18	25 %	09.8896
			Other countries	14 759,92	58 885,04	60 651,59	25 %	(18)
18	Sheet Piling	7301 10 00	China	12 198,24	30 778,05	31 701,39	25 %	09.8901
			United Arab Emirates	6 650,41	16 780,01	17 283,41	25 %	09.8902
			Other countries	480,04	1 211,21	1 247,54	25 %	(19)
19	Railway Material	7302 10 22, 7302 10 28, 7302 10 40, 7302 10 50, 7302 40 00 Quotas are valid up to 30.9.2019	Russia	2 147,19	5 417,70	5 580,23	25 %	09.8906
			China	2 145,07	5 412,33	5 574,70	25 %	09.8907
			Turkey	1 744,68	4 402,10	4 534,17	25 %	09.8908
			Ukraine	657,60	1 659,24 (20)	Not applicable	25 %	09.8909
			Other countries	1 010,85	2 550,54	4 336,07	25 %	(21)

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
20	Gas pipes	7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77	Turkey	88 914,68	224 345,46	231 075,82	25 %	09.8911
			India	32 317,40	81 541,78	83 988,04	25 %	09.8912
			North Macedonia	9 637,48	24 316,84	25 046,35	25 %	09.8913
			Other countries	22 028,87	55 582,25	57 249,72	25 %	( <sup>22</sup> )
21	Hollow sections	7306 61 10, 7306 61 92, 7306 61 99	Turkey	154 436,15	389 666,25	401 356,24	25 %	09.8916
			Russia	35 406,28	89 335,51	92 015,57	25 %	09.8917
			North Macedonia	34 028,95	85 860,29	88 436,09	25 %	09.8918
			Ukraine	25 240,74	63 686,29	65 596,88	25 %	09.8919
			Switzerland	25 265,29	56 276,65	57 964,94	25 %	09.8920
			Belarus	20 898,79	52 730,88	54 312,80	25 %	09.8921
			Other countries	25 265,29	63 748,22	65 660,67	25 %	( <sup>23</sup> )
22	Seamless Stainless Tubes and Pipes	7304 11 00, 7304 22 00, 7304 24 00, 7304 41 00, 7304 49 10, 7304 49 93, 7304 49 95, 7304 49 99	India	8 315,90	20 982,29	21 611,76	25 %	09.8926
			Ukraine	5 224,94	13 183,34	13 578,84	25 %	09.8927
			Korea (Republic of)	1 649,31	4 161,47	4 286,31	25 %	09.8928
			Japan	1 590,45	4 012,94	4 133,33	25 %	09.8929
			United States of America	1 393,26	3 515,42	3 620,88	25 %	09.8930
			China	1 299,98	3 280,05 ( <sup>24</sup> )	Not applicable	25 %	09.8931
			Other countries	2 838,17	7 161,15	10 754,44	25 %	( <sup>25</sup> )



Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
24	Other Seamless Tubes	7304 19 10, 7304 19 30, 7304 19 90, 7304 23 00, 7304 29 10, 7304 29 30, 7304 29 90, 7304 31 20, 7304 31 80, 7304 39 10, 7304 39 52, 7304 39 58, 7304 39 92, 7304 39 93, 7304 39 98, 7304 51 81, 7304 51 89, 7304 59 10, 7304 59 92, 7304 59 93, 7304 59 99, 7304 90 00	China	49 483,75	124 855,14	128 600,79	25 %	09.8936
			Ukraine	36 779,89	92 801,35	95 585,39	25 %	09.8937
			Belarus	19 655,31	49 593,37	51 081,17	25 %	09.8938
			Japan	13 766,04	34 733,85	35 775,87	25 %	09.8939
			United States of America	12 109,53	30 554,21	31 470,84	25 %	09.8940
			Other countries	55 345,57	139 645,41	143 834,77	25 %	(26)
25	Large welded tubes	7305 11 00, 7305 12 00, 7305 19 00, 7305 20 00, 7305 31 00, 7305 39 00, 7305 90 00	Russia	140 602,32	354 761,34	Not applicable	25 %	09.8941
			Turkey	17 543,40	44 264,71	Not applicable	25 %	09.8942
			China	14 213,63	35 863,19	Not applicable	25 %	09.8943
			Other countries	34 011,86	85 817,17 (27)	536 327,60	25 %	(28)
26	Other Welded Pipes	7306 11 10, 7306 11 90, 7306 19 10, 7306 19 90, 7306 21 00, 7306 29 00, 7306 30 11, 7306 30 19, 7306 30 80, 7306 40 20, 7306 40 80, 7306 50 20, 7306 50 80, 7306 69 10, 7306 69 90, 7306 90 00	Switzerland	64 797,98	163 495,29	168 400,15	25 %	09.8946
			Turkey	60 693,64	153 139,43	157 733,61	25 %	09.8947
			United Arab Emirates	18 676,40	47 123,44	48 537,15	25 %	09.8948
			China	18 010,22	45 442,58	46 805,85	25 %	09.8949
			Taiwan	14 374,20	36 268,32	37 356,37	25 %	09.8950
			India	11 358,87	28 660,18	29 519,99	25 %	09.8951
			Other countries	36 898,57	93 100,78	95 893,81	25 %	(29)

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	From 2.2.2019 to 30.6.2019	From 1.7.2019 to 30.6.2020	From 1.7.2020 to 30.6.2021	Additional duty rate	Order numbers
				Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)	Volume of tariff-rate quota (net tonnes)		
27	Non-alloy and other alloy cold finished bars	7215 10 00, 7215 50 11, 7215 50 19, 7215 50 80, 7228 10 90, 7228 20 99, 7228 50 20, 7228 50 40, 7228 50 61, 7228 50 69, 7228 50 80	Russia	117 519,41	296 519,61	305 415,20	25 %	09.8956
			Switzerland	27 173,22	68 562,23	70 619,10	25 %	09.8957
			China	20 273,26	51 152,57	52 687,15	25 %	09.8958
			Ukraine	15 969,02	40 292,29	41 501,06	25 %	09.8959
			Other countries	17 540,47	44 257,32	45 585,04	25 %	<sup>(30)</sup>
28	Non Alloy Wire	7217 10 10, 7217 10 31, 7217 10 39, 7217 10 50, 7217 10 90, 7217 20 10, 7217 20 30, 7217 20 50, 7217 20 90, 7217 30 41, 7217 30 49, 7217 30 50, 7217 30 90, 7217 90 20, 7217 90 50, 7217 90 90	Belarus	88 294,51	222 780,67	229 464,09	25 %	09.8961
			China	66 719,82	168 344,42	173 394,75	25 %	09.8962
			Russia	41 609,21	104 986,47	108 136,06	25 %	09.8963
			Turkey	40 302,46	101 689,34	104 740,02	25 %	09.8964
			Ukraine	26 755,09	67 507,23	69 532,45	25 %	09.8965
			Other countries	39 770,29	100 346,58	103 356,98	25 %	<sup>(31)</sup>

<sup>(1)</sup> From 2.2.2019 to 31.3.2019 and from 1.7.2019 to 30.9.2019: 09.8601.

From 1.4.2019 to 30.6.2019: 09.8602.

From 1.10.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: for Turkey: 09.8531, for Russia: 09.8532, for India: 09.8533, for Serbia: 09.8534, for Korea: 09.8535, for Taiwan: 09.8536 and for the other third countries: 09.8601.

From 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: for Turkey: 09.8561, for Russia: 09.8562, for India: 09.8563, for Serbia: 09.8564, for Korea: 09.8565, for Taiwan: 09.8566 and for the other third countries: 09.8602

<sup>(2)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8603.

From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8604

<sup>(3)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8605.

From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8606

<sup>(4)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8607.

From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8608

<sup>(5)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8609.

From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8610

<sup>(6)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8611.

From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8612

<sup>(7)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8613.

From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8614

<sup>(8)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8615.

From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8616

<sup>(9)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8617.

From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8618

- <sup>(10)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8619.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8620
- <sup>(11)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8621.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8622
- <sup>(12)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8623.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8624
- <sup>(13)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8625.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8626
- <sup>(14)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8627.  
From 1.4.2019 to 30.6.2019: 09.8628.  
From 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: for Turkey\*: 09.8541, for Russia\*: 09.8542, for Ukraine\*: 09.8543, for Bosnia and Herzegovina\*: 09.8544, for Moldova\*: 09.8545, for Belarus: 09.8546 and for the other third countries: 09.8628.  
\* In case of exhaustion of their specific quotas in accordance with Article 1.5
- <sup>(15)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8629.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8630
- <sup>(16)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8631.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8632
- <sup>(17)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8633.  
From 1.4.2019 to 30.6.2019: 09.8634.  
From 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: For Ukraine\*: 09.8551, for Switzerland\*: 09.8552, for Russia\*: 09.8553, for Turkey\*: 09.8554, for Belarus\*: 09.8555, for Moldova\*: 09.8556, for Bosnia and Herzegovina: 09.8557 and for the other third countries: 09.8634.  
\* In case of exhaustion of their specific quotas in accordance with Article 1.5
- <sup>(18)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8635.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8636
- <sup>(19)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8637.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8638
- <sup>(20)</sup> As of 1.10.2019 the quota for Ukraine will be transferred to the Other countries quota and the unused volume will be transferred according to Article 2 of this Regulation.
- <sup>(21)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8639.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8640
- <sup>(22)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8641.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8642
- <sup>(23)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8643.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8644
- <sup>(24)</sup> As of 1.10.2019 the quota for China will be transferred to the Other countries quota and the unused volume will be transferred according to Article 2 of this Regulation.
- <sup>(25)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8645.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8646
- <sup>(26)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8647.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8648
- <sup>(27)</sup> As of 1.10.2019 the quotas for Russia, Turkey and China will be transferred to the Other countries quota and the unused volume will be transferred according to Article 2 of this Regulation.
- <sup>(28)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8649.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8650
- <sup>(29)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8651.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8652
- <sup>(30)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8653.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8654
- <sup>(31)</sup> From 2.2.2019 to 31.3.2019, from 1.7.2019 to 31.3.2020 and from 1.7.2020 to 31.3.2021: 09.8655.  
From 1.4.2019 to 30.6.2019, from 1.4.2020 to 30.6.2020 and from 1.4.2021 to 30.6.2021: 09.8656

IV.2 – Volumes of global tariff-rate quotas per trimester

Product number		YEAR 1		YEAR 2				YEAR 3			
		From 2.2.2019 to 31.3.2019	From 1.4.2019 to 30.6.2019	From 1.7.2019 to 30.9.2019	From 1.10.2019 to 31.12.2019	From 1.1.2020 to 31.3.2020	From 1.4.2020 to 30.6.2020	From 1.7.2020 to 30.9.2020	From 1.10.2020 to 31.12.2020	From 1.1.2021 to 31.3.2021	From 1.4.2021 to 30.6.2021
1	Other countries	1 307 737,32	2 051 794,76	2 172 108,07	2 116 842,75	2 093 833,59	2 093 833,59	2 200 669,38	2 200 669,38	2 152 828,74	2 176 749,06
2	Other countries	167 401,61	262 647,35	278 048,49	270 974,05	268 028,68	268 028,68	281 704,58	281 704,58	275 580,57	278 642,58
3A	Other countries	119,25	187,09	198,07	193,03	190,93	190,93	200,67	200,67	196,31	198,49
3B	Other countries	3 268,01	5 127,39	5 428,05	5 289,94	5 232,44	5 232,44	5 499,42	5 499,42	5 379,87	5 439,65
4A	Other countries	296 430,19	465 088,74	492 360,66	479 833,44	474 617,86	474 617,86	498 834,77	498 834,77	487 990,53	493 412,65
4B	Other countries	48 890,51	76 707,53	81 205,51	79 139,39	78 279,18	78 279,18	82 273,30	82 273,30	80 484,75	81 379,02
5	Other countries	16 782,91	26 331,80	27 875,85	27 166,60	26 871,31	26 871,31	28 242,39	28 242,39	27 628,42	27 935,41
6	Other countries	12 910,76	20 256,54	21 444,34	20 898,73	20 671,57	20 671,57	21 726,32	21 726,32	21 254,01	21 490,16
7	Other countries	181 777,76	285 203,04	301 926,80	294 244,83	291 046,51	291 046,51	305 896,87	305 896,87	299 246,94	302 571,91
8	Other countries	3 969,15	6 227,46	6 592,63	6 424,89	6 355,05	6 355,05	6 679,31	6 679,31	6 534,11	6 606,71
9	Other countries	19 753,81	30 993,05	32 810,42	31 975,62	31 628,06	31 628,06	33 241,85	33 241,85	32 519,20	32 880,53
10	Other countries	560,56	879,51	931,08	907,39	897,53	897,53	943,32	943,32	922,81	933,07
12	Other countries	29 679,33	46 565,85	49 296,38	48 042,13	47 519,93	47 519,93	49 944,59	49 944,59	48 858,84	49 401,71
13	Other countries	84 771,67	133 003,83	140 802,92	137 220,44	135 728,92	135 728,92	142 654,35	142 654,35	139 553,17	141 103,76

Product number		YEAR 1		YEAR 2				YEAR 3			
		From 2.2.2019 to 31.3.2019	From 1.4.2019 to 30.6.2019	From 1.7.2019 to 30.9.2019	From 1.10.2019 to 31.12.2019	From 1.1.2020 to 31.3.2020	From 1.4.2020 to 30.6.2020	From 1.7.2020 to 30.9.2020	From 1.10.2020 to 31.12.2020	From 1.1.2021 to 31.3.2021	From 1.4.2021 to 30.6.2021
14	Other countries	3 321,66	5 211,58	5 517,17	5 376,80	5 318,36	5 318,36	5 589,72	5 589,72	5 468,20	5 528,96
15	Other countries	445,48	698,95	739,93	721,11	713,27	713,27	749,66	749,66	733,36	741,51
16	Other countries	47 495,07	74 518,13	78 887,73	76 880,57	76 044,91	76 044,91	79 925,03	79 925,03	78 187,53	79 056,28
17	Other countries	5 745,47	9 014,45	9 543,04	16 567,39	16 387,31	16 387,31	15 287,52	15 287,52	14 955,19	15 121,36
18	Other countries	186,86	293,18	310,37	302,47	299,18	299,18	314,45	314,45	307,61	311,03
19	Other countries	393,49	617,37	653,57	636,94 <sup>(1)</sup>	630,02	630,02	1 092,93	1 092,93	1 069,17	1 081,05
20	Other countries	8 575,00	13 453,88	14 242,79	13 880,40	13 729,53	13 729,53	14 430,07	14 430,07	14 116,37	14 273,22
21	Other countries	9 834,81	15 430,48	16 335,29	15 919,67	15 746,63	15 746,63	16 550,09	16 550,09	16 190,30	16 370,19
22	Other countries	1 104,79	1 733,38	1 835,02	1 788,34 <sup>(2)</sup>	1 768,90	1 768,90	2 710,71	2 710,71	2 651,78	2 681,24
24	Other countries	21 543,91	33 801,65	35 783,72	34 873,27	34 494,21	34 494,21	36 254,24	36 254,24	35 466,11	35 860,18
25	Other countries	13 239,52	20 772,34	21 990,39	21 430,89 <sup>(3)</sup>	21 197,95	21 197,95	135 183,94	135 183,94	132 245,16	133 714,55
26	Other countries	14 363,20	22 535,37	23 856,80	23 249,80	22 997,09	22 997,09	24 170,49	24 170,49	23 645,05	23 907,77
27	Other countries	6 827,84	10 712,64	11 340,81	11 052,26	10 932,13	10 932,13	11 489,93	11 489,93	11 240,15	11 365,04
28	Other countries	15 481,05	24 289,24	25 713,51	25 059,28	24 786,90	24 786,90	26 051,62	26 051,62	25 485,28	25 768,45'

<sup>(1)</sup> This amount will be modified after the transfer of the unused volumes of the country-specific quota under order number 09.8909 according to Article 2 of this Regulation.

<sup>(2)</sup> This amount will be modified after the transfer of the unused volumes of the country-specific quota under order number 09.8931 according to Article 2 of this Regulation.

<sup>(3)</sup> This amount will be modified after the transfer of the unused volumes of the country-specific quotas under order numbers 09.8941, 09.8942, 09.8943 according to Article 2 of this Regulation.