

COMMISSION IMPLEMENTING REGULATION (EU) 2019/159
of 31 January 2019
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 ⁽¹⁾, and in particular Article 16 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 ⁽²⁾, and in particular Article 13 thereof,

Whereas:

1. PROCEDURE

1.1. Provisional measures

- (1) On 18 July 2018, Commission implementing regulation (EU) 2018/1013 ⁽³⁾ imposed provisional safeguard measures with regard to imports of certain steel products ('the provisional Regulation').
- (2) The investigation was initiated ex officio on 26 March 2018 ('Notice of Initiation') ⁽⁴⁾ into 26 different steel product categories, pursuant to Article 5 of Regulation (EU) 2015/478 of the European Parliament and of the Council and Article 3 of Regulation (EU) 2015/755 of the European Parliament and of the Council.
- (3) On 28 June 2018, the Commission extended the product scope of the safeguard investigation to two additional categories ('Extension Notice') ⁽⁵⁾.
- (4) As mentioned in recital (20) of the provisional Regulation, the investigation covered the period from 2013 to 2017 ('the period considered').

1.2. Due process

- (5) The Commission received 452 questionnaire replies from interested parties in the framework of this investigation.
- (6) The Commission has also received an extensive number of written comments on the findings contained in the provisional Regulation from Union producers, exporting producers, importers, users, associations and third countries' authorities.
- (7) Following the adoption of provisional measures, the Commission undertook to verify more in depth the information (including the most recent data) supplied by the Union producers for the purpose of the final determination. Given the sheer number of EU cooperating producers, it was materially impossible to undergo verification visits at the premises of every single Union producer. Consequently, the Commission opted for checking the quality and reliability of the data by verifying those of a selected number of producers that were chosen to cover a sufficiently large production volume and the widest possible range of the product categories under investigation. On this basis, the Commission verified the questionnaire replies at the premises of ten Union producers that accounted for over 15 % of the overall sales in the Union in 2017 of the product under investigation.
- (8) From June to September 2018, verification visits were carried out at the premises of the following Union producers:
 - ArcelorMittal Poland S.A., Poland;
 - Compañía Española de Laminación, S.L (CELSA), Spain;

⁽¹⁾ OJ L 83, 27.3.2015, p. 16.

⁽²⁾ OJ L 123, 19.5.2015, p. 33.

⁽³⁾ Commission implementing regulation (EU) 2018/1013 of 17 July 2018 imposing provisional safeguard measures with regard to imports of certain steel products (OJ L 181, 18.7.2018, p. 39).

⁽⁴⁾ Notice of initiation of a safeguard investigation concerning imports of steel products (OJ C 111, 26.3.2018, p. 29).

⁽⁵⁾ Notice amending the notice of initiation of a safeguard investigation concerning the imports of steel products (OJ C 225, 28.6.2018, p. 54).

- Mannesmann Precision Tubes GmbH, (Salzgitter Group), Germany;
 - Mannesmann Stainless Tubes GmbH, (Salzgitter Group), Germany;
 - Marcegaglia Carbon steel Spa, Italy;
 - Marcegaglia Specialties Spa, Italy;
 - Riva Stahl GmbH, Germany;
 - SIJ Acroni d.o.o., Slovenia;
 - U. S. Steel Košice, s.r.o., Slovakia; and
 - Ugitech SA, France.
- (9) In order to obtain the most recent information for its final determination, on 7 September 2018 the Commission requested the associations of Union producers to submit an updated set of data on the product categories under investigation.
- (10) Pursuant to Article 5 of Regulation (EU) 2015/478 and Article 3 of Regulation (EU) 2015/755 all interested parties who requested a hearing within the limit set were granted such hearing. On 12, 13 and 14 September and 1 October 2018, the Commission organised 93 individual hearing sessions, during which 150 interested parties expressed their views.
- (11) Comments submitted within the deadlines by interested parties, in writing or orally during the hearing sessions, were duly considered and taken into account where appropriate.

2. PRODUCT CONCERNED AND LIKE OR DIRECTLY COMPETING PRODUCT

- (12) The product concerned is certain steel products belonging to the 28 steel product categories defined in the above-mentioned Notice of Initiation, as amended by the Extension Notice, taken all together. These product categories are subject to the US tariff measures under Section 232 of the Trade Expansion Act of 1962 ('US Section 232 measures').

2.1. A single group definition

- (13) The Commission defined the product scope of the safeguard investigation in recitals (11) to (17) of the provisional Regulation, where it presented a detailed reasoning in support of the global analysis in the light of the strong interrelations between all product categories subject to the investigation.
- (14) After the publication of the provisional Regulation, several interested parties claimed that there is not one single product concerned but several products concerned. These parties observed that the Notice of Initiation does not refer to a single product concerned but uses in some passages the plural and refers to 'products concerned'.
- (15) The same parties claimed that the approach followed by the Commission in the current investigation is contrary to the ruling of the Appellate Body ('AB') in US – Steel Safeguards⁽⁶⁾. In this case, the AB ruled that applying a global approach to the calculation of 'unforeseen developments' could lead to the application of 'safeguard measures to a broad category of products even if imports of one or more of those products did not increase and did not result from the "unforeseen developments"' and would not meet the requirement of Article XIX of the GATT. These parties also claimed that in the 2002 Steel safeguard investigation⁽⁷⁾ the Commission carried out a separate analysis per product category for which reason the same individual assessment should also be carried out in this case.
- (16) Finally, several interested parties contested the interrelations and interconnections between product categories that the Commission put forward to justify its single analysis. These parties, while recognising that such linkages do exist between certain product categories, were of the view that they are not present across all categories, for instance between carbon steel and stainless steel categories, or between flat products, long products and pipes.

⁽⁶⁾ WTO Appellate Body Report, *US – Definitive Safeguard Measures on Imports of Certain Steel Products*, WT/DS259/AB/R, para. 319.

⁽⁷⁾ Commission Regulation (EC) No 1694/2002 (OJ L 261, 28.9.2002, p. 1).

- (17) The Commission analysed these claims and rejected them on the following basis. First, the Notice of Initiation clearly states repeatedly and without doubt that the 28 product categories under investigation were treated as a single group of products for the purposes of analysing whether the conditions for adopting safeguards were warranted. In fact, the provisional Regulation refers to the 28 product categories as the 'product concerned' or 'the product categories concerned' (see recital (11) of the provisional Regulation) and the analysis therein is made on the basis of the 28 product categories concerned taken all together (see recital (22) of the provisional Regulation). Thus, the reference to 'products concerned' should be understood as the product categories examined together as part of a single product concerned.
- (18) Second, the WTO Agreement on Safeguards does not impose any specific obligations with respect to the definition or the scope of the product under investigation and does not contain any guidelines with respect to this matter, as confirmed by a WTO Panel. Indeed, a safeguard measure may be applied to a product, imports of which have increased; however, a disaggregated analysis for all cases in which the definition of the product under investigation comprises more than one product is not required. Accordingly, it is the investigating authority which defines the product under investigation, as well as the way in which the relevant data should be analysed in the investigation ⁽⁸⁾. Moreover, no claim has been brought explaining how, in the circumstances of the present case, the joint consideration of product categories could have affected the analysis made by the Commission and/or resulted in an inadequate determination of the increase in imports during the period of investigation. Finally, and incidentally, the Commission also notes that the Appellate Body ruling referred to by the parties concerns the analysis of unforeseen development, and not as such the issue of whether a global analysis is permitted under the WTO Agreement on Safeguards.
- (19) Third, although the Commission reiterated and confirmed in its final determination the need to carry out in the present case an overall analysis of the conditions required to impose safeguards, in order to further examine the linkage between certain categories as argued by some interested parties, the Commission further decided to examine the 28 product categories under investigation, which are treated formally as a single group, also as three steel 'product families'. This decision has been taken in order to examine, in addition, whether the findings for the single group are confirmed at more disaggregated level and to dispel any doubts about the reliability of the conclusions reached at an overall level. The three steel product families regroup certain product categories showing an even stronger degree of commonalities between them.
- (20) Indeed, the steel industry commonly uses three steel product families, namely: flat products, long products and tubes. In the framework of this safeguard investigation, it is considered that within each of these families, the products present similar characteristics, frequently share production processes, are often the input for other downstream products within the family, have common users or customers in the supply chain, which is why their supply and demand substitutability and intra-'family' competition is more marked than if all steel product categories were taken together in a single group.
- (21) The three 'product families' are defined as follows:

Table 1

Product families

Product family	Product category
1 Flat products	1,2,3,4,5,6,7,8,9,10,11
2 Long products	12,13,14,15,16,17,18,19,27,28
3 Tubes	20,21,22,23,24,25,26

- (22) Accordingly, the Commission will address the comments made by certain interested parties as regards the broad definition of the product concerned by complementing the overall assessment of the 28 product categories under investigation with an analysis per product family as defined above.

⁽⁸⁾ WTO Panel Report, *Dominican Republic — Safeguard Measures on Imports of Polypropylene Bags and Tubular Fabric*, WT/DS415/R, WT/DS416/R, WT/DS417/R, WT/DS418/R, paras. 7.177 and 7.236.

2.2. Requests concerning specific product categories

- (23) Several interested parties claimed that certain specific product categories should be excluded from the scope of the product concerned, due to an alleged lack or limited availability of Union production. These claims concern notably the following product categories:
- Non-grain oriented electrical sheets used in motors and generators manufacturing (falling within product category 3);
 - Steel parts used as inputs in the automotive industry (falling within product category 4);
 - Tin mill products (falling within product category 6);
- (24) The Commission analysed carefully these claims and came to the conclusion that like or directly competing product categories are in fact produced in the Union by the Union industry. Furthermore, as it will be elaborated below in the section on Union interest, the Commission has shaped the safeguard measures in such a way as to ensure that disruption to imports is minimised and traditional import levels from trading partners are preserved. Therefore, the alleged likelihood of a shortage of some product categories is unjustified, also considering the adjustments and considerations laid down in the Union interest analysis.
- (25) The Commission therefore concluded that the request to exclude certain product categories should be rejected.
- (26) In the absence of further comments regarding the product concerned and the like or directly competing product, the conclusions reached in recitals (11) to (17) of the provisional Regulation are hereby confirmed.

3. INCREASE IN IMPORTS

- (27) In recitals (20) to (29) of the provisional Regulation, the Commission made an overall analysis of the increase in imports for the 28 product categories concerned over the period 2013-2017. This global analysis already excluded product categories that did not show an import increase at individual level.
- (28) For its definitive determination, the Commission followed the same approach but, as previously explained, complemented its analysis by examining the development of imports for each of the three product families identified in Section 2.2 to confirm the soundness of the conclusions reached on a global basis.
- (29) The Commission used in its analysis the most recent statistics, namely import data covering the first half of 2018. For ensuring data comparability with previous full-year periods, the Commission established an additional ad-hoc 12-month period made of the last 6 months of 2017 and the first 6 months of 2018 ('the most recent period' or 'MRP'). The Commission also corrected some minor clerical errors in the data used at provisional stage.
- (30) Furthermore, in its assessment of imports evolution, the Commission has not taken into account the import volumes from a series of countries that should be excluded from the scope of the definitive measures, in particular: the European Economic Area (EEA) countries and certain countries with which the Union has signed an Economic Partnership Agreement that is currently in force, and which specifically foresee an exclusion from the scope of multilateral safeguard ⁽⁹⁾.
- (31) While, at provisional stage, imports were found not to increase for 5 product categories ⁽¹⁰⁾, the examination of the most recent import data shows that only 2 out of the 28 product categories did not experience an increase in imports, namely product category 11 and product category 23. The Commission therefore decided to exclude these two product categories from the scope of its final analysis. The individual development of imports for each product category is included in Annex II

⁽⁹⁾ Botswana, Cameroon, Fiji, Ghana, Ivory Coast, Lesotho, Mozambique, Namibia, South Africa, Eswatini.

⁽¹⁰⁾ These were product categories 10, 11, 19, 24 and 27.

- (32) As to the global imports' analysis, the imports of the 26 remaining product categories under assessment show the following developments:

Table 2

Import volume (after exclusion of certain countries and products) and market share

	2013	2014	2015	2016	2017	MRP
Imports (000 tonnes)	18 329	21 868	26 552	29 141	30 094	31 314
<i>index 2013 = 100</i>	100	119	145	159	164	171
Market share	12,7 %	14,4 %	16,9 %	17,9 %	18,1 %	18,8 %

Source: Eurostat and Union Industry questionnaire replies.

- (33) Imports increased in absolute terms by 71 % during the period of analysis, and in relative terms with market shares increasing from 12,7 % to 18,8 %. The most significant increase took place in the period 2013-2016. Subsequently, imports continued to increase at a slower pace before picking up again in the MRP, when the US Section 232 measures entered into force. The above-mentioned trend is also confirmed by the vast majority of the questionnaire replies received from producers based in the main exporting countries ⁽¹⁾.
- (34) In order to supplement the global import analysis, the Commission conducted an examination of the import evolution for each of the three product families identified above: flat products, long products and tubes. On this basis, the import volumes and corresponding market shares developed as follows:

Table 3

Import volume (after exclusion of certain countries and products) and market share – by product family

	2013	2014	2015	2016	2017	MRP
Flat products						
imports (000 tonnes)	12 327	14 215	18 391	20 281	20 299	20 202
<i>index 2013 = 100</i>	100	115	149	164	164	164
Market share	14,2 %	15,8 %	19,4 %	20,7 %	20,9 %	20,9 %
Long products						
imports (000 tonnes)	4 001	5 258	6 028	6 550	6 465	7 901
<i>index 2013 = 100</i>	100	131	151	164	162	197
Market share	8,6 %	10,6 %	11,8 %	12,4 %	11,8 %	14,0 %
Tubes						
imports (000 tonnes)	2 001	2 396	2 134	2 310	3 330	3 212
<i>index 2013 = 100</i>	100	120	107	115	166	160
Market share	20,4 %	20,8 %	19,9 %	20,1 %	25,3 %	25,7 %

Source: Eurostat and Union Industry questionnaire replies.

⁽¹⁾ Former Yugoslav Republic of Macedonia, India, People's Republic of China, Russia, South Korea and Turkey.

- (35) The statistics show that all three product families (flat products, long products and tubes) increased in absolute terms by respectively 64 %, 97 % and 60 % during 2013-MRP. In the same period, imports also increased in relative terms with market shares increasing respectively from 14,2 % to 20,9 %; 8,6 % to 14,0 % and 20,4 % to 25,7 %.
- (36) The most significant increase for the flat products, both in absolute and relative terms, took place in the period 2013-2016. Imports thereafter remained relatively stable but at a much higher level than in the period 2013-2015. For long products, the most significant increase both in absolute and relative terms, took place in the period 2013-2016 before picking up steeply in the MRP. As for tubes, imports increased progressively over the period 2013-2016, before steeply increasing, both in absolute and relative terms, in the period 2016-MRP.
- (37) As regards the comments received by the Commission, one interested party claimed that two product categories out of the five that had been excluded from the scope of the provisional measures, namely product category 10 and 19, should be covered by the definitive measures as recent statistics show an increase in imports. Another party made a similar claim as regards product category 24. These claims have been accepted since, as previously explained, import statistics pertaining to product categories 10, 19 and 24 actually showed an overall increase in imports over the period 2013-MRP. Moreover, import volumes for these three product categories also increased over the period 2017-MRP. Furthermore, as developed in recital (34), these products belong to product families that also show an increase over the period 2013-MRP.
- (38) Several interested parties claimed that there was no sudden, sharp, significant and recent increase of imports and referred to the Appellate Body report *Argentina – Footwear* ⁽¹²⁾ and other WTO cases such as *US – Wheat Gluten* ⁽¹³⁾, *Ukraine – Passenger Cars* ⁽¹⁴⁾, *US – Steel Safeguards* ⁽¹⁵⁾. In summary, this case-law provides that it is not enough for an investigation to show simply that imports have increased over a five-year period. The increase must be sufficiently recent, sudden and significant both quantitatively and qualitatively, to cause or threaten to cause serious injury. This case law also clarified the meaning of sharp ('involving sudden change of direction; abrupt, steep') and sudden ('happening or coming without warning; unexpected', or 'abrupt, sharp'). Other parties also claimed that the increase in imports was steady or that the imports increased up to 2015 without showing a sharp sudden or significant increase ever since.
- (39) In this regard, it is first recalled that the Commission conducted a thorough analysis of the import volumes of the 28 product categories over the period 2013-2017 (considering the trends in imports over the period of investigation, rather than just comparing the end points) and that it also analysed the development of imports in the MRP. On this basis, it has excluded upfront certain product categories that did not show an increase over the period 2013-MRP. Furthermore, as explained in recitals (33), (35) and (36), the Commission concluded that imports had increased in absolute terms by 71 % globally and between 60 % and 97 % when grouped into product families over the period 2013-MRP. Additionally, Eurostat statistics also show that imports increased by 45 % between 2013 and 2015 and that this sharp increase continued until the MRP to reach 71 % overall. A similar trend is also observed as far as the relative increase in imports is concerned. On this basis, it is confirmed that the increase in imports was sharp and sudden as clarified by the case-law. Considering the extent of the increase, it is also confirmed that the increase was significant. As far as the recentness is concerned, the Commission notes that there is no specific jurisprudence as to how the term 'recent' should be interpreted. The Appellate Body has merely interpreted the requirement that a Member may apply a safeguard only if a product 'is being imported' in increased quantities to mean that the increase in imports must be 'recent' enough to cause or threaten to cause serious injury ⁽¹⁶⁾. The Commission confirmed that increase in imports, in view of the developments in the period 2013-MRP and even 2015-MRP, was recent enough to cause or threaten to cause serious injury. Accordingly, the Commission rejected the above-mentioned claims on lack of qualifying import increase.

⁽¹²⁾ WTO Appellate Body Report, *Argentina – Safeguard Measures on Imports of Footwear*, WT/DS121/9, para.131.

⁽¹³⁾ WTO Panel Report, *US – Definitive Safeguard Measures on Imports of Wheat Gluten from the European Communities*, WT/DS166/R, para. 8.31.

⁽¹⁴⁾ WTO Panel Report, *Ukraine – Definitive Safeguard Measures on Passenger Cars*, WT/DS468/R, Panel Report of 26 June 2015, para. 7.146.

⁽¹⁵⁾ WTO Panel Report, *US – Definitive Safeguard Measures on Imports of Certain Steel Products*, WT/DS259/R, para. 10.168.

⁽¹⁶⁾ WTO Appellate Body Report, *Argentina – Safeguard Measures on Imports of Footwear*, WT/DS121/AB/R, adopted 12 January 2000, para. 130.

- (40) Several interested parties claimed that the Commission end-point to end-point analysis at an aggregate level was insufficient and that the Commission should also have analysed intervening trends over the period 2013-2017, in line with WTO case law such as *US – Steel safeguards* ⁽¹⁷⁾ and *Ukraine – Passenger Cars* ⁽¹⁸⁾. According to such case law, the analysis cannot rely on a comparison of the end-points of the period of analysis as it could lead to manipulated results in cases where there is no clear and uninterrupted upward trend in import volumes. The case law also foresees that the investigating authority shall set out a reasoned and adequate explanation concerning the development of imports between the end-points.
- (41) The Commission considers that it has not just made an end-point to end-point analysis since, as substantiated above in recital (33) to (36), the Commission has also analysed intervening trends and made an adequate and reasoned analysis of import trends. The relevant claims have therefore been rejected.
- (42) Certain interested parties indicated that analysing the evolution of imports over the period 2013 – 2017 was misleading since the level of imports in 2013 was abnormally low as a result of the global economic crisis, and the increase in the subsequent period was merely a recovery of a normal situation.
- (43) In this regard, the Commission considered that taking 2013 as the starting point for the analysis did not taint that analysis. While EU steel consumption indeed increased by 14 % over the period 2013-2017 (see Table 4 below), such an increase was achieved in a progressive manner throughout the period. In contrast imports increased much more than the EU demand, namely by 64 % over the same period and at a much faster rate than EU consumption. Consequently, market share of imports increased by 5,4 % points (from 12,7 % to 18,1 %) over the period 2013-2017. On this basis, this claim was rejected.
- (44) Several interested parties claimed that imports by the Union industry should have been excluded from the analysis of import volumes. In this regard, it should be noted that there is no legal requirement to make such an exclusion. In any event, based on the questionnaire replies received from the Union producers, such imports remained stable over the period 2013-2017 and only accounted for a marginal portion of the total import (ranging from 0,3 % to 0,7 % of the total imports). The above claim was therefore rejected.
- (45) One interested party claimed that imports through inward processing should have been excluded from the analysis of the import volumes in general and for product category 25 in particular. In this regard, it should be noted that for all product categories other than product category 25, the import volume trend observed does not change if inward processing is excluded from the analysis. In the particular case of product category 25, a sale by a Union producer was lost to the benefit of an exporting producer in a third country market. As a consequence, it was considered appropriate to include such volumes in the assessment of the increase in imports in order to reflect the full impact of third country imports. On this basis, this claim has been rejected.
- (46) Certain interested parties claimed that the import volume and corresponding market share for product categories 1, 6, 7, 17 and 28 decreased over the period 2016-2017. In this regard, the Commission notes that in its final determination it has also considered the development of imports during the most recent period and, on this basis, imports did increase for all these categories with the exception of category 7. However, even for this latter category, imports during the MRP were significantly higher than in 2013-2014. In addition, the Commission carried out a global analysis for all steel products and individually for each of the three product families identified, and concluded that imports increased overall during the whole analysed period. This claim was therefore rejected.
- (47) Accordingly, the Commission concludes that there has been a sudden, steep, and significant increase of imports both in absolute and relative terms for the product concerned under assessment. This finding is also confirmed by the data at the level of each of the three product families assessed.

4. UNFORESEEN DEVELOPMENTS

- (48) As explained in detail in recitals (30) to (36) of the provisional Regulation, the Commission had concluded preliminarily that the above-mentioned increase in imports of certain steel products in the Union had been the result of unforeseen developments that found their source in a number of factors establishing and aggravating imbalances in the international trade of the product concerned.

⁽¹⁷⁾ WTO Panel Report, *US – Definitive Safeguard Measures on Imports of Certain Steel Products*, WT/DS259/R, footnote 17, para. 374.

⁽¹⁸⁾ WTO Panel Report, *US – Definitive Safeguard Measures on Imports of Certain Steel Products*, WT/DS259/R, para. 10.168, footnote 16, para. 7.132.

- (49) These factors consisted of an unprecedented steelmaking overcapacity that persists despite the important number of measures adopted worldwide to reduce it, accentuated by distortive subsidies and government support measures, which led to price depression, the increased use of trade restrictive practices, trade defence instruments and the US Section 232 measures adopted in March 2018.
- (50) Several interested parties claimed that unforeseen developments should be demonstrated for each product category. The Commission disagrees with these views and considers that, given the high interrelation and interconnection between the product categories as explained in Section 2.1, it is sufficient to demonstrate the existence of unforeseen developments globally. On this basis, this claim was rejected.
- (51) As far as overcapacity is concerned, several interested parties claimed that overcapacity is well-known to the Commission and could not be considered as an unforeseen development. They also claimed that the Commission had previously linked the injury suffered by the Union industry to dumped or subsidized imports and that the link between the increase in imports and the unforeseen development of steel overcapacity had not been established.
- (52) In this regard, it should first be noted that, as provided in Figure 2.3 of the Global Trade Alert report 'Going Spare: Steel, Excess Capacity, and Protectionism' ⁽¹⁹⁾, the world crude steel excess capacity decreased from 2009 to 2011 before following an opposite trend from 2011 to 2016. Considering that the total crude steel excess production capacity in 2011 was already well above the total production of that year, it was expected that total crude steel capacity would decrease or at least remain stable in order to improve capacity utilization and cost efficiency. Total crude steel production capacity, however, unexpectedly continued to increase after 2011, generating an additional world excess capacity as confirmed by the Commission in its Communication 'Steel: Preserving Sustainable Jobs and Growth in Europe' ⁽²⁰⁾. Considering the timing of the events described above and more specifically the fact that excess production capacity increased at a time when it was economically expected to decrease, it is concluded that the steel overcapacity should be considered as an unforeseen development.
- (53) As far as the causality established in previous investigations tackling unfair trading practices is concerned, reference is made to the above-mentioned Communication, which provides that such investigations are recognized as '*measures aiming to mitigate the effects of overcapacity*'. On such basis, it is clear that overcapacity is inherently closely linked to dumped and subsidized imports. Yet, in anti-dumping and anti-subsidy investigation, the overcapacity in the steel sector is not examined as an unforeseen development since this requirement is not present in an assessment underlying the imposition of those trade remedy instruments.
- (54) As far as the link between the unforeseen development of steel overcapacity and the increase in imports is concerned, it is clear that exporting producers have an interest in maximizing their capacity utilization. In situations where spare capacity is available after supplying their domestic market, they will seek other business opportunities on export markets and thus generate an increase in import volumes on such markets. On this basis, the above mentioned claims have to be rejected.
- (55) As far as the surge of adoption of trade restrictive measures is concerned, several parties claimed that they could not be recognized as unforeseen developments as they are recognized exceptions to the general WTO rules and that the number of trade defence instrument measures imposed in 2017 decreased. They also claimed that the link between the increase in imports and the unforeseen development of trade restrictive measures had not been established.
- (56) The Commission disagrees with such claims as the fact that trade restrictive actions are taken within the framework of WTO rules does not imply that they cannot be considered as an unforeseen development. The Commission does not contest the right of countries to take anti-dumping or anti-subsidy measures according to the relevant WTO rules. The issue at stake, however, is the unprecedented and increased number of such measures taken by third countries, which have created trade diversion resulting in increase of imports into the EU. It is recalled that, in recital (34) of the provisional Regulation, the Commission noted that, based on WTO statistics, whereas an average of 77 steel-related investigations had been initiated per year during 2011-2013, this average increased to 117 during 2015-2016. No party has questioned these figures which indicate an unforeseen development, leading to the increase of imports established above. Therefore, the above claims were rejected.

⁽¹⁹⁾ <https://www.globaltradealert.org/reports/download/44>, p. 11.

⁽²⁰⁾ COM(2016) 155 final of 16 March 2016.

- (57) As far as the US Section 232 measures are concerned, several interested parties claimed that these measures cannot be considered to be an unforeseen development triggering an increase in imports as they were imposed after the period 2013-2017. Other interested parties indicated that even the imports that took place from January 2018 to March 2018 are not affected by the US Section 232 measures.
- (58) In this regard, it should first be noted that while the US Section 232 measures were effectively introduced on 8 March 2018, the investigation that led to their adoption was already initiated in April 2017 and the report on which basis they were decided was issued on 11 January 2018. Even if, arguably, the US Section 232 measures could not have caused any impact on imports before their adoption, the mere initiation of the investigation did undoubtedly create uncertainty on the market and caused effects on steel trade flows. Moreover, as further confirmed below, since the adoption of the US Section 232 measures, the Commission considered that trade diversion was already taking place with regard to some product categories.
- (59) It should also be noted, in this respect, that the US Section 232 measures have sped up the increase in imports by adding further trade diversion flows to the prevailing prior increasing trend. As reported in Table 14, available statistics show that, with the exception of April 2018, monthly imports of steel into the US became consistently lower than their corresponding volume in 2017. This coincides with an opposite increasing trend in imports observed in the Union, where, as noted in Table 12, monthly imports volumes were consistently at a higher level than a year before.
- (60) Other interested parties indicated that the impact of the Section 232 measures should be disregarded or not be overestimated as they operate subject to many product exclusions. In the same context, it was claimed that Korean exports are a non-issue as Korea has secured enough export quota volume from the US administration.
- (61) In this regard, it should be noted that only Australia was unconditionally exempted from the Section 232 measures and that its imports of the products concerned accounted for around 1 % of total US imports in 2017 ⁽²¹⁾. Other countries such as South Korea, Argentina and Brazil were granted a tariff-free quota but were not exempted from the measures. As far as these countries are concerned, it should be noted that a higher number of quotas were set at zero and that numerous quotas were already exhausted upon allocation ⁽²²⁾. On this basis, it is considered that the allocated quotas give no guarantee that the allocated quota would be sufficient to prevent trade diversion. Furthermore, on the basis of available statistics, it appears that these three countries accounted for less than 20 % of the total 2017 imports. Therefore, the relevant claims on quotas were rejected.
- (62) Considering the above, it is confirmed that the unforeseen developments described in recital (49) have led and will further lead to a clear increase of the steel imports into the Union.

5. THREAT OF SERIOUS INJURY

- (63) In line with the global product scope approach defined in this investigation, at provisional stage, the injury analysis was also made globally. Occasionally, the provisional Regulation illustrated that the conclusions on injury under the global analysis were corroborated also at product category level by way of examples.
- (64) Likewise, the injury assessment at the definitive stage has been conducted on a global basis, namely for the product concerned under assessment, thereby including the 26 product categories where the Commission found an increase in imports. However, as in the evolutions of imports, the Commission supplemented its analysis with an assessment for each of the three product families referred to in recital (21) above.
- (65) The injury analysis below is based on the questionnaire replies submitted by the Union industry. Following receipt of more up-to-date information and the verification of the data, the injury indicators described at provisional stage were updated where appropriate in order to include the most recent (2018) data.

⁽²¹⁾ Source: Global Trade Atlas.

⁽²²⁾ <https://www.cbp.gov/trade/quota/bulletins/qb-18-126-absolute-quota-aluminum-products-argentina-brazil-south-korea>

5.1. Global development of the situation of the Union steel industry

5.1.1. Consumption, domestic sales and market shares

- (66) The Commission established the Union consumption by adding to the sales in the Union of the Union producers, the imports from all countries, excluding imports from members of the EEA and from certain countries with which the Union has signed an Economic Partnership Agreement that is currently in force (see recital (30) above).
- (67) On this basis, Union consumption, sales of Union producers and the corresponding market share developed as follows:

Table 4

The Union consumption, domestic sales and market share

(000 tonnes)	2013	2014	2015	2016	2017
Consumption (all)	148 455	155 730	160 742	166 375	169 350
<i>index 2013 = 100</i>	100	105	108	112	114
Domestic sales (all)	129 592	133 285	133 575	136 586	138 636
<i>index 2013 = 100</i>	100	103	103	105	107
Market share (all)	87,3 %	85,6 %	83,1 %	82,1 %	81,9 %

Source: Eurostat and industry data.

- (68) Overall consumption of the relevant 26 product categories increased consistently over the period 2013 – 2017, with an overall increase by 14 %. Sales volumes of Union industry producers increased over this period, but to a much lesser extent than Union consumption, i.e. by 7 % only. The Union industry's overall market share, therefore, decreased consistently during the period considered, by 5,4 percentage points.

5.1.2. Production, production capacity, capacity utilisation rate and stocks

- (69) Production, production capacity and capacity utilisation rate and stocks developed as follows:

Table 5

Production, production capacity, capacity utilisation, stocks

(000 tonnes)	2013	2014	2015	2016	2017
Production (all)	243 945	249 855	248 763	249 204	254 925
<i>index 2013 = 100</i>	100	102	102	102	105
Production capacity (all)	337 010	334 545	332 427	333 179	335 358
<i>index 2013 = 100</i>	100	99	99	99	100
Capacity utilisation (all)	72 %	75 %	75 %	75 %	76 %
Stocks (all)	11 883	12 734	13 159	12 974	14 140
<i>index 2013 = 100</i>	100	107	111	109	119

Source: Industry data and questionnaire replies.

- (70) Production volume for the product concerned under assessment increased overall by 5 % during the period considered. Production capacity remained stable and, therefore, capacity utilisation increased overall by 4 percentage points during the period 2013 - 2017. Stocks held by the cooperating Union industry producers increased overall by 19 % during the period 2013 - 2017

5.1.3. Unit sales prices, profitability and cash flow

(71) Unit sales prices, profitability and cash flow developed as follows:

Table 6

Unit sales price, profitability, cash flow

	2013	2014	2015	2016	2017
Unit sales price (EUR/tonne)	693,6	673,4	636,6	591,0	697,7
<i>index 2013 = 100</i>	100	97	92	85	101
Profitability (% turnover)	- 0,9 %	0,8 %	0,6 %	2,1 %	5,6 %
Cash flow (million EUR)	3 721	4 975	6 461	5 508	6 201
<i>index 2013 = 100</i>	100	134	174	148	167

Source: Questionnaire replies.

(72) Verified and updated figures confirm the trend established in the provisional Regulation. For all products, there was significant price depression on the Union market until 2016. Prices recovered to their 2013 level thereafter. Overall, and despite a significant decrease in prices, the Union industry could reduce its cost of production to achieve a marginal profit level in 2016 and increase it to a more sustainable level in 2017 (5,6 %). The overall cash flow position of the Union industry increased by 67 % from 2013 to 2017.

5.1.4. Employment

(73) In terms of employment, the Union industry lost 9 208 jobs from 2013 to 2017, shown in the table below.

Table 7

Employment

(FTE)	2013	2014	2015	2016	2017
Employment (all)	225 607	220 429	218 010	217 460	216 399
<i>index 2013 = 100</i>	100	98	97	96	96

Source: Industry data and questionnaire replies.

5.2. Analysis of the situation of the Union steel industry for the three product families

5.2.1. Consumption, domestic sales and market shares

(74) For each of the three product families, consumption, domestic sales and market shares developed as follows:

Table 8

Consumption, domestic sales, market share per product family

(000 tonnes)	2013	2014	2015	2016	2017
Consumption (flat)	87 679	90 729	95 598	98 749	98 124
<i>index 2013 = 100</i>	100	103	109	113	112

(000 tonnes)	2013	2014	2015	2016	2017
Consumption (long)	50 829	53 333	54 160	55 890	57 921
<i>index 2013 = 100</i>	100	105	107	110	114
Consumption (tubes)	9 947	11 667	10 985	11 735	13 305
<i>index 2013 = 100</i>	100	117	110	118	134
Domestic sales (flat)	75 212	76 365	77 020	78 274	77 601
<i>index 2013 = 100</i>	100	102	102	104	103
Domestic sales (long)	46 461	47 679	47 757	48 935	51 095
<i>index 2013 = 100</i>	100	103	103	105	110
Domestic sales (tubes)	7 920	9 241	8 799	9 377	9 940
<i>index 2013 = 100</i>	100	117	111	118	126
Market share (flat)	86 %	84 %	81 %	79 %	79 %
Market share (long)	91 %	89 %	88 %	88 %	88 %
Market share (tubes)	80 %	79 %	80 %	80 %	75 %

Source: Eurostat and industry data.

- (75) Consumption for flat products peaked in 2016, then marginally decreased in 2017, showing an overall increase by 12 %. Consumption for long products and tubes increased consistently until the end of 2017, resulting respectively in an overall increase by 14 % and 34 %.
- (76) Sales for all steel products increased overall by 7 % in the period 2013-2017. During the same period a similar increase, but less pronounced than the increase in consumption, was observed under the three product families: sales of the Union industry producers of flat products increased by 3 %, sales of long products by 10 % and sales of tubes by 26 %.
- (77) The trend of the Union industry's overall market (minus 5 percentage points) was confirmed when analysing separately flat products (minus 7 percentage points), long products (minus 3 percentage points) and tubes (minus 5 percentage points).

5.2.2. Production, production capacity, capacity utilisation rate and stocks

- (78) For each of the three product families, production, production capacity and capacity utilisation rate and stocks developed as follows:

Table 9

Production, production capacity, capacity utilisation, stocks per product family

(000 tonnes)	2013	2014	2015	2016	2017
Production (flat)	172 873	177 224	176 567	177 247	180 986
<i>index 2013 = 100</i>	100	103	102	103	105

(000 tonnes)	2013	2014	2015	2016	2017
Production (long)	59 082	59 535	60 079	59 706	60 572
<i>index 2013 = 100</i>	100	101	102	101	103
Production (tubes)	11 991	13 096	12 116	12 251	13 366
<i>index 2013 = 100</i>	100	109	101	102	111
Production capacity (flat)	234 615	233 689	230 216	230 921	232 220
<i>index 2013 = 100</i>	100	100	98	98	99
Production capacity (long)	80 833	78 244	79 455	79 736	81 806
<i>index 2013 = 100</i>	100	97	98	99	101
Production capacity (tubes)	24 053	25 482	27 721	27 255	24 224
<i>index 2013 = 100</i>	100	106	115	113	101
Capacity utilisation (flat)	74 %	76 %	77 %	77 %	78 %
Capacity utilisation (long)	73 %	76 %	76 %	75 %	74 %
Capacity utilisation (tubes)	50 %	51 %	44 %	45 %	55 %
Stocks (flat)	7 573	8 171	8 386	8 098	8 623
<i>index 2013 = 100</i>	100	108	111	107	114
Stocks (long)	3 449	3 430	3 722	3 740	3 877
<i>index 2013 = 100</i>	100	99	108	108	112
Stocks (tubes)	861	1 132	1 050	1 137	1 639
<i>index 2013 = 100</i>	100	132	122	132	190

Source: Industry data and questionnaire replies.

- (79) For the three product families the development of the production diverged. Production increased by 5 % for flat products and by 3 % for long products, and decreased for tubes by 11 % during the whole period considered. In any event, the production variation can be regarded as rather stable.
- (80) Overall production capacity remained stable. This trend was consistently confirmed when analysing each product family: for flat products (decrease by 1 %), long products (increase by 1 %) and tubes (increase by 1 %) in the period considered. Capacity utilisation increased overall by for each product family (flat plus 4 percentage points, long plus 1 percentage points and tubes plus 5 percentage points).
- (81) Stocks for flat and long products increased to a similar level during the period 2013 - 2017, while, for tubes, they nearly doubled. The verified and updated figures therefore confirm the trend established in the provisional Regulation.

5.2.3. Unit sales prices, profitability and cash flow

- (82) For each of the three product families, unit sales prices, profitability and cash flow developed as follows:

Table 10

Unit sales price, profitability, cash flow per product family

(EUR / tonne)	2013	2014	2015	2016	2017
Unit sales price (EUR/tonne, flat)	711,3	689,3	659,8	612,8	744,3
<i>index 2013 = 100</i>	100	97	93	86	105
Unit sales price (EUR/tonne, long)	607,0	591,3	546,4	509,1	584,4
<i>index 2013 = 100</i>	100	97	90	84	96
Unit sales price (EUR/tonne, tubes)	1 093,9	1 063,5	1 013,9	913,2	949,3
<i>index 2013 = 100</i>	100	97	93	83	87
Profitability (% turnover, flat)	-1,9 %	0,2 %	0,5 %	2,5 %	7,7 %
Profitability (% turnover, long)	0,7 %	2,1 %	1,7 %	2,1 %	3,1 %
Profitability (% turnover, tubes)	1,3 %	0,4 %	- 3,4 %	- 1,2 %	- 1,7 %
Cash flow (million EUR, flat)	2 309	3 997	5 209	4 235	5 177
<i>index 2013 = 100</i>	100	173	226	183	224
Cash flow (million EUR, long)	820	1 156	1 534	1 473	1 159
<i>index 2013 = 100</i>	100	141	187	180	141
Cash flow (million EUR, tubes)	592	- 178	- 283	- 200	- 135
<i>index 2013 = 100</i>	100	- 30	- 48	- 34	- 23

Source: Questionnaire replies.

- (83) Sales prices for flat products decreased by 14 % until 2016 and then recovered in 2017, rising to a level higher than 2013 (+ 5 %). Unit sales price for long products and tubes also decreased significantly until 2016 (respectively by 16 % and 17 %) and then slightly picked up again in 2017. Overall, prices for these products decreased by respectively 4 % and 13 %.
- (84) As concerns profitability, (i) the Union industry managed to achieve a marginal profit level for flat products in 2016 (after losses and break-even situation in the previous years) and increased its profitability to 7,7 % in 2017; (ii) profitability for long products reached 2,1 % in 2014 and remained around the same level until 2017, when it increased up to 3,1 %; (iii) profitability for tubes dropped significantly from 2013 (1,3 %) to - 3,4 % in 2015, and remained negative in 2016 and 2017 (- 1,2 % and - 1,7 % respectively).
- (85) The cash flow position for flat and long products improved (it increased by 124 % for flat and to a much lower extent for long products, i.e. only by 41 %), while for tubes cash flow decreased significantly, by 130 % in 2014, and remained negative until the end of 2017.

5.2.4. Employment

- (86) As concerns employment, producers of flat products were particularly hit as they lost almost 8 600 jobs during that period. In percentage terms, the most severe situation was for the tube producing industry where job losses amounted to 12 % during the period considered.

Table 11

Employment per product family

(FTE)	2013	2014	2015	2016	2017
Employment (flat)	134 720	129 256	127 743	126 300	126 124
<i>index 2013 = 100</i>	100	96	95	94	94
Employment (long)	49 545	49 662	51 288	53 946	53 943
<i>index 2013 = 100</i>	100	100	104	109	109
Employment (tubes)	41 342	41 511	38 978	37 214	36 333
<i>index 2013 = 100</i>	100	100	94	90	88

Source: Industry data and questionnaire replies.

5.3. Conclusion on the situation of the Union industry and most recent developments

- (87) The above analysis showed that the Union industry – both globally and for each of the three product families – was in a difficult economic situation until 2016, and only partially recovered in 2017. The industry is thus still in a fragile and vulnerable position.
- (88) In September 2018, the Commission requested the Union industry associations to provide economic data for the first semester of 2018, in order to examine how the situation developed after the period of investigation, which consisted of the years 2013-2017.
- (89) The information obtained by the Commission could not be verified. Moreover, since the Commission did not have data corresponding to the first semester of 2017 (the information was provided on the basis of the full year 2017), the Commission could not draw any reliable conclusion based on the situation of the industry during the first semester 2018. Nevertheless, based on these 2018 data, the trend of 2017, namely a partial recovery of the industry, could be confirmed. It should however be noted that – as indicated in table 12 below – monthly imports into the Union started to increase mostly since June 2018. Moreover, steel prices in the Union started to follow a declining trend since the third quarter of 2018. It is, therefore, not possible to observe the effects of these imports and price development on the situation of the Union industry during the first semester of 2018. Therefore, the recent data confirmed the delicate situation of the Union industry and the threat posed by the most recent increase in imports.

5.4. Threat of serious injury

- (90) In the provisional Regulation, the Commission concluded that the situation of the Union industry deteriorated significantly in the period 2013-2016 and recovered partially in 2017. However, the Commission considered that the Union industry, despite the temporary improvement, was still in a fragile situation and under the threat of serious injury if the increasing trend in imports continued with the ensuing price depression and profitability drop below sustainable levels.
- (91) This provisional finding can also be confirmed at definitive stage in light of the above-mentioned updated analysis of the development of the injury indicators both globally and at the level of the three product families (flat products, long products and tubes).
- (92) The updated injury indicators include the data of three product categories that had previously been excluded from the scope at provisional stage. Where available, the most recent data have been analysed and this comprehensive analysis has confirmed the key findings made at the provisional stage.

- (93) At the provisional stage, a critical element in the determination of threat of injury was that the significant increase in imports observed since 2013 would not come to a stop but would further rise and reach serious injurious levels in the absence of remedial action. This expected trend is already underway as the most updated set of data show (see section 5.6 below).

5.5. Comments received after provisional measures

- (94) Several interested parties submitted that the Union industry is not in a vulnerable or fragile position, as most of the indicators improved over the period considered, for example it actually achieved a profitability of 6,2 % in 2017 (as mentioned in the provisional Regulation) and the sales prices increased by almost 20 % between 2016 and 2017. It was also mentioned that Eurofer itself had announced that the outlook for the Union industry is positive. In the same vein, these parties also claimed that the standard for establishing serious injury is very high and much higher than the material injury standard in the Anti-Dumping Agreement and the SCM Agreement, as serious injury must be clearly imminent and on the very verge of occurring.
- (95) In the provisional Regulation, the Commission concluded that the Union industry was in a fragile situation, recovering from a period where its situation had deteriorated significantly. This recovery was attributed, *inter alia*, to the effectiveness of the different trade defence measures that have been adopted, in particular since 2016. As the Commission could not establish the existence of serious injury, it assessed the threat thereof. In this context, the Commission confirmed that the ongoing provisional recovery could quickly be reversed if a further increase of imports was to take place. As established above, such a further increase in imports was likely to be exacerbated as a result of the US Section 232 measures. The Commission, therefore, concluded that the fact that the situation for the Union industry in 2017 showed an improvement as compared to previous years did not prevent the findings of the existence of a threat of serious injury. These findings were confirmed in the above analysis and the claim is therefore rejected.
- (96) As concerns the profitability level of the Union industry, several interested parties submitted that, in a number of trade defence cases in the steel sector, the Commission has considered that a 3 to 7 % profit could be considered adequate. Therefore, an overall profitability of 6,2 %, as provisionally established, should be sufficient for the Union industry to remain viable and highly competitive.
- (97) As explained in recitals (90) to (93), despite the fact that in 2017 the profitability levels had significantly improved from previous years (where the Union industry was either loss-making or break-even), this situation could rapidly be reversed if imports would continue to increase (or surge, as a result of *inter alia*, the US Section 232 measures). In fact, in a situation of threat of serious injury, the analysis must necessarily contain forward-looking elements. In this context, the established risk of trade diversion would be a key element that would negatively affect the current economic situation of the Union industry if measures are not adopted. Consequently, the profitability levels achieved by the industry in 2017 cannot be taken in isolation, and do not invalidate the finding of a threat of serious injury. This claim is thus rejected.

5.6. Post-2017 data analysis

- (98) In the context of threat of serious injury analysis, it is necessary to carry out a forward-looking exercise given that, for the period analysed, the situation has not been deemed to be one of serious injury. In particular, Article 9(2) of Regulation (EU) 2015/478 and Article 6(3) of Regulation (EU) 2015/755, require – in cases of threat of injury – an examination of the rate of increase of the exports to the Union and the likelihood that available capacity is used to export into the Union.
- (99) While the rate of increase of exports was already examined above, the Commission has carried out a more accurate analysis of the likelihood of further increased exports based on an analysis of the most recent data available, namely the period January-September 2018. This updated set of data allowed the Commission to confirm the findings made at provisional stage, in particular with regard to the import trends and the risk of trade diversion.
- (100) As the statistics in the tables below show, the upward trend in imports continued and the first signs of trade diversion have already been observed in the months following the entry into force of the US Section 232 measures, with imports into the USA progressively decreasing and imports into the Union increasing ⁽²³⁾. In the Commission's view, for the reasons developed below, this increasing trend will become more pronounced in the future if definitive measures are not adopted.

⁽²³⁾ US Section 232 measures entered into force on 8 March 2018, and the Commission analysed data up until September 2018.

5.6.1. *Development of imports into the Union*

- (101) The period analysed for the development of imports has been extended by adding the first semester of 2018. This updated analysis shows that, overall, imports of the product under assessment have, on an annual basis further increased. The increase in imports in the period July 2017 – June 2018 as compared to January 2017 – December 2017 is explained by the relatively high level of imports in the first semester of 2018, when the total volume of imports of the products under assessment amounted to 17,4 million MT as compared to 15,4 million MT during the first semester of 2017 and 14,5 million MT during the second semester of 2017. Therefore, this more recent data confirms the Commission's assessment at provisional stage that imports were likely to further increase after 2017.
- (102) The US Section 232 measures were imposed on 8 March 2018. It is, therefore, relevant to assess the volume of imports in 2018 on a monthly basis, comparing them with the same period in the preceding year (2017). That comparison demonstrates that, for each and every month in 2018, import volumes into the Union in 2018 were higher than import volumes in 2017. The differences were more substantial in June and July 2018, a few months after the imposition of the US Section 232 measures. In August and September 2018, the increase was still significant but less pronounced than in the preceding two months, possibly in view of the provisional safeguard measures were imposed on 18 July 2018.
- (103) Both analyses show a clear trend of a continuous increase in imports into the Union, therefore confirming the Commission's assessment at provisional stage.

Table 12

Monthly imports to the Union

EU (000 tonnes)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Imports 2017 (all)	2 737	2 464	2 914	2 648	2 984	2 512	2 315	2 308	2 339
Imports 2018 (all)	3 080	2 490	2 934	3 033	2 999	2 940	2 828	2 414	2 587
<i>Increase 2018 from 2017</i>	+ 13 %	+ 1 %	+ 1 %	+ 15 %	+ 1 %	+ 17 %	+ 22 %	+ 5 %	+ 11 %

Source: Eurostat.

5.6.2. *Development of imports into the USA*

- (104) During the hearings mentioned under recital (10), several interested parties submitted that import prices into the USA had increased sharply since the imposition of the US Section 232 measures, to a level that, despite the 25 % duty, would allow these companies to make a profit. Therefore, given that situation, there would be no incentive whatsoever to redirect any of their sales to the USA to any other markets like the Union. It was also claimed that, as a result, the level of imports into the USA was hardly affected by those measures.
- (105) The Commission collected statistical data with regard to imports into the USA of the products under assessment in 2018 on a monthly basis:

Table 13

Monthly imports to the US in 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Import volume (all) (000 tonnes)	2 087	1 800	2 218	2 585	2 192	1 666	1 969	1 848	1 689
<i>index Jan 2018 = 100</i>	100	86	106	124	105	80	94	89	81

Source: US national statistics.

- (106) The data show that imports into the USA of the 26 products under assessment have sharply decreased, in particular since the imposition of the US Section 232 measures. In September 2018, the level of imports was 35 % below the level of imports in April 2018. Overall, the decrease in imports from January to September 2018 was 19 %.
- (107) It should also be noted that, in 2018, a high number of US producers of products covered by the US Section 232 measures have announced important production expansion plans ⁽²⁴⁾. Whereas in the short term there might be no or little alternative sources but the imported products, it seems clear that the US industry is preparing to supply the US market on a much bigger scale in the medium term, to the detriment of imports. Consequently, the US market will no longer be able to absorb an increased domestic production and the same level of imports as before. As a consequence, exporting producers will have to look for alternative markets and the Union market is then, in view of its size, an ideal substitute market. The trend of increased imports in the Union, which is driven in part by the impact of the US Section 232 measures, has already started as described in chapter 5.6.1 above. This trend will, therefore, be even more pronounced in the near future if no measures are taken.
- (108) The Commission also analysed the volume of imports into the USA in 2018 on a monthly basis as compared the same period in 2017.
- (109) Table 14 confirms the trend shown in the table in recital (105) above.

Table 14

Monthly imports to the US

US (000 tonnes)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Imports 2017 (all)	2 088	1 893	2 284	2 259	2 345	2 684	2 614	2 220	2 259
Imports 2018 (all)	2 087	1 800	2 218	2 585	2 192	1 666	1 969	1 848	1 689
<i>Decrease 2018 from 2017</i>	0 %	- 5 %	- 3 %	14 %	- 7 %	- 38 %	- 25 %	- 17 %	- 25 %

Source: US national statistics.

Therefore, the imports into the USA, irrespective of the type of comparison carried out, consistently show that there has been a clear and steady trend of a decrease in imports into the USA. This progressive decrease is already causing and will further generate trade diversion that is liable to speed up the increase trend of imports into the Union.

5.7. Conclusion

- (110) Accordingly, in view of an updated analysis of the situation of the Union industry, a thorough analysis of the comments received after disclosure of the provisional measures and during the hearings, as well a detailed analysis the most recent statistical data, the Commission concluded that the Union steel industry is in a situation of threat of serious injury for the product concerned, including the 26 product categories under assessment. Recitals (58) to (69) of the provisional Regulation are therefore confirmed.

6. CAUSATION

- (111) In the provisional Regulation, at recitals (70) to (77) the Commission had concluded that there was a causal link between increased imports of the product under assessment and the vulnerable situation of and threat of serious injury to the Union industry as the steel products produced by the Union producers are commonly like or directly competing with the steel products concerned.

⁽²⁴⁾ Company and date(s) of announcement(s), million short tons: Big River, 25.4.2018 and 29.6.2018, 3,2; US Steel, 5.3.2018, 2,8; JSW Steel, 26.3.2018 and 21.6.2018, 2,5; Nucor, 10.1.2018, 2.3.2018, 11.5.2018 and 7.9.2018, 2,25; North Star Bluescope, 13.8.2018, 0,7-1,0; Liberty Steel Group, 26.6.2018, 0,75; Republic Steel Group, 12.3.2018 and 19.7.2018, 0,66; Steel Dynamics, 26.6.2018, 0,4. The total planned capacity expansion announced by this non-exhaustive list of 2018 press reports (mostly company press releases) is 13,5 million short tonnes, equal to around 12 million MT.

6.1. Comments received after provisional measures

- (112) Several interested parties submitted that there was no causation between an increase in imports and the state of the Union industry, as the increase of imports during the period considered had gone hand in hand with an increase in profitability and production and sales volumes.
- (113) As a preliminary point, the Commission wishes to clarify that it has established a threat of serious injury if imports continue to increase. It has not established injury during the investigation due to the increase of imports over the period considered.
- (114) On substance, with regard to this claim, it is important to stress that the Union industry indeed achieved profitable levels of production during the year 2017, which was clearly higher than the one achieved in all other years of the period considered, when it was close to break-even only. However, overall, the largest increase of imports during that period was between 2014 and 2015 (see Table 2 above) and the parallel profitability drop in that same period (down from 0,8 % to 0,6 %, see Table 6 above) demonstrates that there is a doubtless connection between the increase in imports and the state of the Union industry. Moreover, as explained in recital (45) of the provisional Regulation, the profitability achieved in 2017 should be considered as temporary in the current circumstances of a continuously increasing import trend and exceptionally favourable sales prices on the market in that period. Nevertheless, even a profit level of 5,6 % is low in this capital intensive industry. It is, in fact, below the regulated minimum target profit level, for all industrial sectors, in trade defence investigations conducted by the Commission ⁽²⁵⁾. Consequently, the Commission considered that the Union industry will find itself in a vulnerable and critical situation if imports continue to increase. This claim is, therefore, rejected.
- (115) It was also submitted by various interested parties that, in previous anti-dumping and anti-subsidy investigations concerning the same products, the Commission had argued that it was the alleged dumping or subsidisation – and not a mere increase in imports – which had caused price depression and injury. According to these interested parties, the dumped or subsidised imports have already been dealt with successfully through the adoption of anti-dumping and anti-subsidy measures concluding those investigations, which would be why the Commission should not now argue that the same injury was caused by something else, i.e. increased imports.
- (116) With regard to this claim, it is important to underline that anti-dumping and anti-subsidy measures do not follow the same logic as safeguard measures. They have, in fact, different objectives. To mention some of the most striking and relevant differences, both anti-dumping and anti-subsidy measures are specific to a limited product scope and address the issue of unfair competition, through dumping or subsidisation, with regard to imports from a certain origin (country), whereas they are as a rule applied for five years, with a possibility to extend that period if certain conditions are fulfilled. By contrast, safeguard measures address an overall increase in imports, with no distinction in the nature of competition or origin (i.e. they are not applied '*sui generis*' to a specific type of imports) and are normally limited in duration. Moreover and more specifically, the anti-dumping and anti-subsidy measures referred to through this claim concern only a few of the product categories covered by the current investigation and only from certain origins. In spite of those measures, the Commission nevertheless found a significant, sudden and sharp overall increase in imports and established a related threat of injury. That claim is, accordingly, rejected.
- (117) Several interested parties submitted that the Commission had not performed a non-attribution analysis to address other factors, which might have caused the injury, in particular with regard to the raw material cost development, declining export performance and imports made by the Union producers. The Commission wishes to clarify that, indeed, at provisional stage it has not assessed all factors that might contribute to the serious injury, which the Union industry would suffer if no measures are taken, as due to the critical circumstances, provisional measures needed to be adopted and imposed without delay. After the imposition of provisional measures, the Commission assessed the impact of these three factors on the state of the Union industry and, thus, their possible contribution to the threat of serious injury.
- (118) With regard to the development of raw material costs, several parties generally observed that the Commission should look into this element, whereas one interested party submitted that the conjectural market situation, linked to cheaper raw materials worldwide, has caused the difficulties 'alleged' by the Commission.

⁽²⁵⁾ Article 7(2c) of Regulation (EU) 2016/1036 of the European Parliament and of the Council, as amended by Regulation (EU) 2018/825 of the European Parliament and of the Council of 30 May 2018 (OJ L 143, 7.6.2018, p. 6).

- (119) The data provided by the Union industry demonstrate that the cost of production for the product concerned developed as follows:

Table 15

Cost of production

	2013	2014	2015	2016	2017
Cost of production (EUR/tonne)	700	668	633	579	661
<i>index 2013 = 100</i>	100	95	90	83	94

Source: Questionnaire replies.

- (120) The above trend is similar to the trend in sales prices, as described in recital 5.1.3 above, with the exception of 2017 when, as explained, sales prices were exceptionally favourable as compared to costs, resulting in a relatively high profit (albeit still under target profit level). This trend does not reveal any particular link between raw material cost and profitability development, if only that in the year when the Union industry's profit declined the strongest as compared to the previous year, i.e. in 2015 (down by 25 %), its cost of production decreased significantly. There is therefore no ground for concluding that the development of raw material prices, either upwards or downwards, represents a threat of injury. That claim therefore, was rejected.
- (121) Interested parties also raised the claim that export performance of the Union industry was declining. They based their claims on statements made by Eurofer as well as on the assumption or likelihood that exports to the USA and Turkey would drop in view of the US Section 232 measures and Turkish safeguard investigation.
- (122) An analysis of the export performance of the Union industry with regard to the product concerned has been made based on Eurostat data:

Table 16

Exports of the Union industry

	2013	2014	2015	2016	2017
Export volume (000 tonnes)	31 181	31 599	29 449	27 578	27 603
<i>index 2013 = 100</i>	100	101	94	88	89
Export price (EUR/tonne)	962	931	934	850	953
<i>index 2013 = 100</i>	100	97	97	88	99

Source: Eurostat.

- (123) The above table demonstrates two things. Firstly, the volumes exported by the Union industry throughout the period considered are relatively small as compared to the volumes sold on the Union market – they accounted, depending on the year, for 17 % - 19 % of the sales volumes of the Union industry only. Secondly, the export price development was rather flat over the period considered, with the exception of 2016 when export prices were overall significantly lower than in the other years (the cost of production was also at a low in 2016). Based on the export sales volumes, the development of those volumes over the period considered and the export sales prices, the Commission found no reason to assume that export sales performance of the Union industry is a major threat of serious injury to the Union industry.
- (124) As concerns the role of imports made by Union producers or traders/distributors related thereto, as described in recital (44) above, these imports were marginal and relatively stable over the period considered, representing 0,3 % to 0,7 % of total imports depending on the year. These imports have not affected the import trends, and the claim was therefore rejected.

- (125) Several interested parties submitted that the Commission had not assessed the conditions of competition between the imported products and domestic products as it has allegedly disregarded the breadth and heterogeneity of different product categories covered by the safeguard investigation and only reached conclusions for all product categories in the aggregate. In the same vein, several interested parties claimed that, for each of the product categories, the Commission should have performed a separate causation analysis.
- (126) As explained in section 2.1, the Commission considered that, in view of the high degree of interrelation between the product categories that make up the product concerned, that the imported product and the Union product are 'like or directly competing'. The acknowledgement that a global analysis is warranted given the strong interrelations between all product categories subject to the investigation also entails that the most appropriate way to perform the causation analysis is by aggregating the three product families that were distinguished in certain parts of the overall analysis. On this basis, the claim was rejected.

6.2. Conclusion

- (127) The cumulative attribution analysis of the other factors in recitals (79) and (80) in the provisional Regulation and in section 6.1 above showed that the other factors, both separately and when taken together, did not attenuate the causal link between increase in imports and the threat of serious injury to the Union industry. In the absence of any other comments, recitals (70) to (81) of the provisional Regulation are confirmed.

7. UNION INTEREST

- (128) The purpose of safeguard measures is to remedy or prevent serious injury that has occurred as a result of increased imports. In accordance with Article 16 of Regulation 2015/478, the Commission has also examined whether any compelling economic reasons exist which could lead to the conclusion that it is not in the Union interest to impose measures.
- (129) For this purpose, the impact of possible measures on all Union producers, importers and users of the product concerned and the possible consequences of taking or not taking the measures were considered based on the evidence available. Where necessary, the Commission devised a mechanism which would prevent serious injury from occurring whilst permitting traditional trade flows in a way compatible with a continued competitive functioning of the steel market.

7.1. Interest of the Union producers

- (130) It was provisionally concluded that imposing safeguard measures would be in the interest of Union producers as it would prevent any serious injury caused by a further and significant increase of imports. After the imposition of provisional measures, the Commission did not receive any comments from the Union producers contradicting this view. The provisional conclusions were therefore confirmed.

7.2. Interest of the Union importers and users

- (131) The Commission sent questionnaires to known importers and users in order to evaluate their interest.
- (132) The Commission received 61 responses from importers and 70 responses from users other than those related to importers. Importers and users also made their views known both orally and in writing.
- (133) Several Union importers and users claimed that the imposition of the safeguard measures would not be in the interest of the Union because it would increase import prices and restrict competition on the Union market. They also claimed that the imposition of measures would result in shortages of supply since, allegedly, the Union producers are not producing all types of steel products or not in sufficient quantities to supply the Union demand. This is, allegedly, further exacerbated by the fact that the availability of some products in the Union is restricted because they are subject to anti-dumping or anti-subsidy measures.
- (134) After the imposition of provisional measures, several Union users and importers argued that, if definitive measures should be taken, the following elements should be considered:

— A quota level established on the basis of the average of the last three years should be increased by 10 %, as it was done as regards the Union steel safeguard measures in 2002, in order to accommodate for the likely increase in demand in downstream sectors;

- Any quota should be allocated to each specific supplying country instead of a ‘first-come-first-serve’ allocation, in order to maintain traditional trade flows and avoid that certain supplying countries might take advantage of their geographic position or export capacities to fill up rapidly the quota and crowd out other traditional supplying countries;
- Economic certainty should be ensured by establishing a quota system based on licenses. This would ensure continuity of supply and guarantee that shipments go through the tariff free quota the moment they leave the exporting country. Alternatively, it was claimed that the yearly quota should be established on a quarterly basis in order to avoid massive imports at the beginning of the year, which would be detrimental to users that are not in a position to build up stocks and need to be supplied on a stable basis throughout the year.
- Some product types should be subject to separate quotas due to their specificities as compared to other product types falling within the same category. For these products, quotas should further be increased on a regular basis in order to reflect the expected significant increase of demand in the Union market in the next years.

(135) The Commission examined in detail these claims and came to the following conclusions.

(136) First, as already established in the provisional Regulation, the Commission agrees with the fact that traditional trade flows should be maintained as far as possible. Based on the above conclusions of the existence of a threat of serious injury, only imports in excess of these traditional trade flows would cause serious injury to the Union industry. With safeguard measures established under the form of a Tariff Rate Quota, the Commission considers that effective competition between imports and the Union industry will be maintained, and that the risk of general price increases and of any shortage is unlikely. Indeed, with such a form of measures, it is expected that imports will continue at traditional non-injurious levels, and the safeguard measures would only apply if, and when, the level of the quota is reached and the threat materialises.

(137) Furthermore, the Union industry claimed it is able to manufacture all types of steel products. In any event, imports will be maintained – without measures – at their traditional levels, and are still possible above the quota, albeit subject to safeguard measures.

(138) As to the existence of anti-dumping or anti-subsidy measures, their objective is to remedy unfair trade practices. While these measures may indeed have an impact on the level of exports from some supplying countries, this does not affect the level of fairly-priced imports that would have entered the Union market absent injurious dumping or subsidisation practices. This issue, and in particular the cumulation of safeguard with anti-dumping or anti-subsidy measures, is considered under recital (186).

(139) For the above reasons, the claims made by the parties as outlined in recital (133) are hereby rejected.

(140) As to the claims concerning the form and level of measures, the Commission considered the following elements.

Level of the tariff-rate quota

(141) While users and importers consider that any tariff-rate quota should be established at a level of 10 % above the average imports in the last three years since Union steel consumption in certain product categories is likely to experience double-digit growth rates, Union producers claimed that Union steel consumption will remain relatively flat in the coming years.

(142) According to Article 15(3) of Regulation 2015/478, any quota shall, in principle, be set at the average level of imports over the last three representative years. This provision, however, applies in case measures take the form of a quota. As confirmed by the relevant jurisprudence ⁽²⁶⁾, a tariff-rate quota is not a quantitative restriction under the WTO Agreement on Safeguards, and therefore, the Commission is not as such bound to establish the level of the tariff-rate quota in this particular case at a level strictly corresponding to the average imports over the last three years.

(143) In view of the claims raised in recital (141) above, and in line with the large economic, political, and legal discretion afforded to the Commission pursuant to Article 16 of Regulation (EU) 2015/478 and 13 of Regulation (EU) 2015/755, the Commission considered it necessary to modulate the tariff-rate quota level above the average import level for the last three years to take account of the competing interests between users and importers, on the one hand, and the Union industry, on the other hand. In this regard, as evidenced under recital (32), the Commission notes that imports of the product categories concerned rose by 4 % from 2017 to the MRP without

⁽²⁶⁾ WTO Appellate Body Report, *US- Line Pipe*, WT/DS202, para. 235.

causing serious injury. The outlook for a future, albeit flatter, import growth rate under normal market conditions, coupled with the economic and political interests of the Union industry as a whole, accordingly mandate for the imposition of a quantitative level of the tariff-rate quota just above the average import level during the period 2017 to the MRP.

- (144) On this basis, and in order to limit the increase of imports to a level that is unlikely to cause serious injury to the Union industry whilst, at the same time, ensuring that traditional trade flows are maintained and existing user and importing industry sufficiently supported, the Commission considers that the quantitative level of the tariff-rate quota should be based on the average imports in the period 2015-2017 plus 5 %.

Allocation of the tariff-rate quotas

- (145) Almost all interested parties, including the Union industry, argued in favour of an allocation of tariff-rate quotas to specific supplying countries instead of a global quota system as established at provisional stage.
- (146) The Commission agrees that a country-specific tariff-rate quota system is indeed the most appropriate system to ensure traditional trade flows. It has however some limitations. First, the number of supplying countries is significant for each product category. It is not reasonably practicable to allocate a tariff-rate quota to each of them. Second, the Commission considers that it is necessary, for an adequate tariff-rate quota allocation, to take into account special factors that will affect the trade in the products concerned. Indeed, for a number of products falling within the scope of this investigation, the Union has recently imposed anti-dumping/countervailing duty measures on certain exporting countries. This has often resulted in a significant decrease of imports from these countries in the most recent year, and will continue to do so during the period of imposition of these measures. A country-specific tariff-rate quota for these countries will therefore more than likely be used only marginally since the level of the tariff-rate quota is based on the average level of imports in the years 2015-2017, i.e. including a period when anti-dumping/countervailing duty measures were not yet in place and the level of import was significant due to unfair trade practices. It would, therefore, not be in the Union interest to allocate a country specific tariff-rate quota in these circumstances since the level of future imports would unavoidably be below their traditional trade levels.
- (147) The Commission concluded that, given the above circumstances, a mixed approach would be the most appropriate. First, a country specific tariff-rate quota should be allocated to countries having a significant supplying interest, based on their imports over the last 3 years. For the purpose of this regulation, it is considered that countries with a share of more than 5 % of imports for the product category concerned have a significant supplying interest. A global tariff-rate quota ('the residual quota') based on the average of the remaining imports over the last three years should be allocated to all other supplying countries.
- (148) A country specific tariff-rate quota should however not be allocated to those countries whose export level – for each product category concerned – has substantially diminished in the recent past because of anti-dumping/countervailing duty measures in place for the above reasons. These countries should fall within the residual tariff-rate quota.
- (149) In the specific case of product category 1 (hot rolled coils), since close to 60 % of imports are currently covered by anti-dumping measures, the Commission considers that a global quota and no country-specific allocation is the most appropriate.
- (150) Finally, the Commission considers that it is also in the Union interest that when a supplying country has exhausted its specific tariff-rate quota, it should be allowed to have access to the residual tariff-rate quota. This possibility should however only be applied during the last quarter of the period, in order to strike a balance between the interests of the countries endowed with a country specific tariff-rate quota and the countries drawing on the global tariff-rate quota. This would not only ensure the maintenance of traditional trade flows but also avoid that, as the case may be, parts of the residual tariff-rate quota would remain unused.

Predictability of the tariff-rate quota over time

- (151) The Commission considers that the introduction of a licensing system is not necessary to ensure predictability.
- (152) First, data concerning the development of imports under the tariff-rate quota and the free of duty quota usage is publically available and updated on a daily basis. The data on the tariff-rate quota usage can be found at the following web address:

http://ec.europa.eu/taxation_customs/dds2/taric/quota_consultation.jsp

- (153) Furthermore, a country-specific allocation should also ensure an additional level of predictability for traditional suppliers and users. In addition, when a country-specific tariff-rate quota is exhausted, the country in question will be in a position to export through the available residual quota, although only during the last quarter of the period, which is the most critical period in terms of quota availability.
- (154) Finally, the Commission considers that the residual tariff-rate quota should be divided quarterly in order to ensure that imports are evenly distributed over the year and prevent that significant imports of standard products are stockpiled at the beginning of the period in order to avoid possible duties. Unused quarterly tariff-rate quota allocations would also be automatically transferred to the next period.

Product classification

- (155) The Commission has examined the claims made by users and importers to create specific sub-categories for their products. In particular, the Commission has found that two product categories, namely category 3 and 4, present distinct characteristics for which the claims are acceptable.
- (156) Category 4 – corrosion resistant sheets – include both products produced specifically for the automotive industry, based on precise product specifications and subject to long term contracts, and other standard products. For the former products, suppliers need first to obtain a certification necessary to supply the industry over a long time period, based on a just-in-time system. For this product category, the Commission acknowledges that there is a risk that some specific product types are crowded out from the free of duty quota by standard products that can be massively supplied and stockpiled at the beginning of the year.
- (157) Furthermore, the standard types of products under this product category are currently subject to anti-dumping duties, which also have an impact on future import developments as well as quota allocation, based on what is explained above. The fact that these more specialised products were not covered in the industry's request for anti-dumping measures is also an indication that these products should be considered separately from the standard types of products.
- (158) As far as category 3 – electrical sheets – is concerned, the relevant user industry also claimed that some specialised products, i.e. non-grain oriented electrical sheets ⁽²⁷⁾, should be separated from other products in this category. This claim is based on the fact that these product types are strategic for the Union economy, as they are used in the new energy/mobility sectors (e.g. new energy vehicles, wind turbines). Users and importers claim that these products are high-value, specialty products, with the risk that they are crowded out by standard products included in the same product category. In addition, users also claimed that the Union demand is likely to increase significantly in the near future and that the specific quota should be increased accordingly in the future. Even though the latter claim could not be duly supported by any evidence, a separate quota for these products would allow examining further duly substantiated requests in the future.
- (159) The Commission further considers that, without undermining whatsoever the remedial effect of the measure, it is possible to create sub-sets of products within these two existing product categories, which would accordingly be allocated their own quota.
- (160) On the basis of the above, the Commission accepted the claims to split product category 4 (metallic coated sheets) and product category number 3 (electrical sheets (other than GOES)) into two sub-categories.

Review clause

- (161) Finally, the Commission considers that, based on the Union interest, it may have to adjust the level or allocation of the tariff-rate quota as set out in Annexes IV.1 and IV.2 in case of changes of circumstances during the period of imposition of the measures. Such review could concern any product category subject to measures, including (but not limited) to the product categories 3, 4, 6 and 16 that were subject to detailed and substantiated submissions during the investigation as well as in the context of the bilateral consultations held by the Commission. The changed circumstances could, for example, materialise in the case of an overall increase or contraction in Union demand for some product categories that would require a reassessment of the level of the tariff-rate quota, the imposition of anti-dumping or anti-subsidy measures that may significantly affect future import developments, or even any development concerning the US Section 232 that may have a direct impact on the conclusions of this investigation, namely in terms of trade diversion. The Commission may also review whether the operation of the measures could have detrimental effects in achieving the integration objectives

⁽²⁷⁾ CN codes 7225 19 90, 7226 19 80.

pursued with preferential trading partners, such as substantially risking their stabilisation or economic development. The Commission will carry out an assessment of the situation on a regular basis, and consider a review at least at the end of each year of imposition of measures. The Commission shall initiate the first review investigation no later than on 1 July 2019.

7.3. Conclusion on Union Interest

- (162) Based on the above considerations, and a careful examination of the various interests at stake, the Commission concludes that the Union interest requires the adoption of definitive safeguard measures under the form of a tariff rate quota, in order to prevent further deterioration in the situation of the Union producers.

8. FINAL CONSIDERATIONS

- (163) It is concluded that the Union steel industry is in a situation of threat of serious injury for 26 product categories and that the situation is likely to develop into actual serious injury in the foreseeable future, in the absence of safeguard measures. It is also concluded that it would be in the Union interest to adopt appropriate measures to avoid a further increase of imports.

8.1. Form and level of measures

- (164) At provisional stage, the Commission found that a measure in the form of a tariff-rate quota was the best way to reconcile the interests of Union steel producers and users. Such a form, if appropriately tuned, would allow to temporarily bringing the imports' increase to a non-injurious level for the Union steel industry, while keeping a suitable choice of supply sources available for its customers in a way that is compatible with a continued competitive functioning of the steel market.
- (165) Based on the above Union interest analysis, the Commission considers that a tariff-rate quota is indeed the best form of measure to balance the various interest at stake, namely preventing serious injury and ensuring that traditional trade flows are maintained.
- (166) In the comments received by the Commission after provisional measures, although the majority of steel users contested their adoption, they also provided useful suggestions to modulate them and minimize their negative impacts on the market.
- (167) Among the comments received, very few concerned the micro simulations and the macro model presented by the Commission to check the proportionality of the off-quota tariff level.
- (168) As to the macro model, an association of exporters in a third country criticised that the elasticities used in the Armington model for the overall set of product categories differ from those used in certain more disaggregated studies of specific steel product categories; however these parties did not propose any alternative levels for the overall calculation. The same association also claimed that the Commission had ignored the significant increase in the price levels in the US market, which continues to attract imports despite the Section 232 measures. Concerning the micro simulations, an Union users association and several exporters contended that the benchmarking of micro simulations had only been made with respect to a limited number of product categories, whereas the measures covered a larger set; they also criticised that the calculations were reportedly based on the costs of Chinese producers which could not be considered as representative of all import sources. Several exporters claimed that the Commission has not sufficiently explained the use of the abovementioned models and that the fixing of a 25 % off-quota tariff based on that basis is arbitrary.
- (169) The Commission considers that both the micro simulations and the macro model are stylisations of the reality but, contrary to some comments, they are means that allow a technical discussion of alternative scenarios to make policy decision grounded on facts rather than on arbitrary judgements.
- (170) The Commission would like to stress that the 25 off-quota tariff fixed by the Commission at the provisional measures' stage intends to deal with a significant increase of steel imports into the Union, which in the most recent period has speeded as a result of the global 25 % tariff that the US have imposed on steel imports (with a limited number of origin exceptions subjected to very restrictive quotas) and the 50 % tariff on Turkish imports. The express aim intended by the US with their measures is to achieve the industrial policy objective of artificially reducing the level of steel imports by 13,3 million metric tons, which will in turn enable the US steel industry to operate at an 80 % capacity utilization rate.

- (171) Contrary to the views of a few interested parties, it is against this backdrop that a 25 % level Union off-quota tariff rate is not arbitrary but appears to be fully proportionate measure and perfectly consistent with the objective to protect the Union steel market against a surge of imports, which in the recent period originates to a large extent in the trade deviation that the US protectionist measures are producing. In fact, worldwide steel exporters confronted with a 25 % or 50 % tariff or with restrictive quotas in the US could redirect their exports to the Union above the level of their traditional sales and produce injury to the Union steel industry if there is not a sufficiently deterring hurdle in the Union when imports start exceeding their traditional levels.
- (172) It is important to highlight here again that, whereas the tariffs under the Section 232 measures are levied from the first import and therefore seriously distort import trade inflows downwards, the Union tariff-rate quota allows the continued entry of imports from all origins without additional hurdles and only produce effects if the relevant quotas representing the traditional flow of imports from every origin are exceeded, notably because of the trade diversion produced by the US measures.
- (173) In these circumstances, unless the Union imposes an above quota tariff on the relevant steel imports of an amount at least equal to the tariff applied by the US, the exporter to the US will gain extra margin or minimise the loss thereof by redirecting sales to the EU. This analysis indicates that the lower end of the off-quota tariff level capable of ensuring a minimal protection of the Union against the trade diversion should at least be 25 %. However, this level will not stop trade diversion. As import prices are pushed upwards in the US by protectionist measures, an important proportion of US steel production that previously was uneconomic becomes profitable, displacing imports and diverting trade towards other markets, being the Union the most attractive alternative destination.
- (174) In this context, the micro economic simulations of the contribution margin of landed Union imports proposed by the Union industry and presented at provisional stage by the Commission are key to discuss the commercial behaviour of an exporter confronted with the above-mentioned choice of selling on the US market after payment of the Section 232 tariffs or alternatively exporting incrementally to the Union beyond its traditional sales to avoid such payment.
- (175) Contrary to the comments made by some parties, the assumptions made in the simulations are realistic and conservative. They are not mainly based on Chinese costs. The most important component of the costs used in the simulation is a raw material basket valued at international prices. Chinese benchmarks are only used for a comparatively lower proportion of ancillary variable costs on top of the raw materials, on account that China is one of the most prominent exporters across product categories. Finally, the choice of freight costs from China to the Union to calculate the landed cost is a very conservative assumption in the calculation, since if lower freight costs of other possible origins were used the contribution margin would be higher.
- (176) These simulations allow calculating the actual level of the out-of-quota tariff capable of deterring trade diversion. As explained in the provisional measures' regulation, these simulations show that the contribution to the margin of the sales for an exporter of steel to the Union in a large variety of the most representative steel product categories under investigation are in excess of 30 % with a median of 34 %. Only above-quota tariffs at these levels would be able to completely offset the contribution to the margin of the relevant steel imports into the Union market and this way remove the incentive for an exporter to the US to redirect diverted sales to the Union market as with this tariff they become uneconomic.
- (177) Against this background, the Union has chosen to adopt the least disruptive above quota tariff level of 25 %, which is at the lower end among the range of options discussed above. As explained, this above quota tariff level does not grant full protection shielding the Union completely against trade diversion. To the contrary, it will not only allow the free flow of traditional imports, but, on top, said quota tariff levels will also make it possible that, despite the payment of the tariff, a limited proportion of trade diverted sales still remain possible on the Union market, even when traditional trade levels are exceeded to meet an expected increasing demand.
- (178) With respect to the comments made by interested parties on the use of a single macro-economic model taking all the product categories together instead of using more disaggregated analysis with the model, the Commission, as explained at provisional stage and in Section 2 above, considers that given the high degree of interconnections between the product categories from a supply and demand point of view such an overall assessment is fully pertinent notably if conservative values of elasticities are taken.

- (179) In the provisional Regulation, the Commission stated that it would closely follow the evolution of imports before adopting a final position. The US and Union statistics on imports of the product categories of steel under investigation show that despite the important increase in prices by the Section 232 measures on the US market, there is a substantial lasting decrease of imports in the US in the last six months since May 2018 which is corresponded with a sustained increase in the growth of imports into the Union of the same steel product categories during the same period. Since May up to September 2018, the US imports of the product categories under investigation decreased by 2,6 million tonnes with respect to the same period in 2017, whereas the EU imports of the same products surged substantially with an increase of 2 million tonnes (77 % of the US decrease) over the same period. This represents a clear upward trend. These data noticeably show that the intended effects of the US Section 232 protectionist measures to produce a reduction in steel imports of 13,3 million metric tons from 2017 levels is well underway. Therefore, the observed most recent import trends do not appear to contradict the assumptions made in the model of possible trade diversion rate of about 70 % which the US measures could eventually achieve once they will have deployed their full protectionist effects over time. Nor would this contradict the ensuing need to have an above quota tariff rate of above 30 % to fully shield the Union market from their induced effects. This level also coincides with the above-described result of the microeconomic simulations.
- (180) Accordingly, the Commission has decided to confirm the 25 % above quota tariff rate representing the lower end and least disruptive remedial option against the trade diversion produced by the US Section 232 measures.

8.2. Administration of the tariff-rate quotas

- (181) As explained above, based on Union interest considerations and in order to maintain as far as possible traditional trade flows, the best way of ensuring optimal use of the tariff quotas is to allocate it between the countries having a substantial interest in supplying the product concerned and, for the others, in the chronological order of the dates on which declarations of release for free circulation are accepted, as provided for in Commission Implementing Regulation (EU) 2015/2447 ⁽²⁸⁾. This method of administration calls for close cooperation between the Member States and the Commission.
- (182) The eligibility of imported goods from developing countries to be excluded from the tariff quotas is dependent on the origin of the goods. The criteria for determining non-preferential origin currently in force in the Union should therefore be applied.
- (183) For the purpose of the definitive measures, in order to permit traditional trade flows to continue, a specific quota will be determined for each of the product categories on which this Regulation imposes definitive measures.

8.3. Applicable anti-dumping and anti-subsidy measures

- (184) After the imposition of provisional measures, several users and importers reiterated their claims that Union producers are not in need of additional protection because of the existing anti-dumping and anti-subsidy measures, and that in any event safeguard and anti-dumping/anti-subsidy measures should not be cumulated.
- (185) The Commission recalls that anti-dumping and countervailing duty measures do not seek to close the Union market but merely remedy injurious trading practices. As such, these measures target country-specific situations of dumping and subsidisation, have a different scope of application and purpose than the safeguard measure imposed by way of this Regulation, and are not mutually exclusive.
- (186) However, as mentioned in recital (117) of the provisional Regulation, the Commission acknowledges that a cumulation of anti-dumping/anti-subsidy measures with safeguards may lead to a greater effect than desirable. Since this issue of cumulation would only potentially arise once tariff-rate quota ceilings are reached, the Commission will explore the need to address the issue at a later stage and in due course. In this framework, in order to avoid the imposition of 'double remedies' whenever the tariff quota is exceeded, the Commission may consider necessary to suspend or reduce the level of the existing anti-dumping and countervailing duties to ensure that the combined effect of these measures does not exceed the highest level of the safeguard or anti-dumping/countervailing duties in place.

⁽²⁸⁾ Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 343, 29.12.2015, p. 558).

8.4. Duration

- (187) The Commission considers that the measures should be in place for a period of three years (including the period of imposition of the provisional measures), expiring on 30 June 2021. A tariff-rate quota should be open for the period 2 February 2019 to 30 June 2019, thereafter, for the period of 1 July 2019 to 30 June 2020, and, thereafter, for the period 1 July 2020 to 30 June 2021, as specified in Annex VI for each product category concerned.
- (188) Since the duration of the measures is for over a year, the measures must be progressively liberalised at regular intervals during the period of application. The Commission considers that the most appropriate way to liberalise the measures is to increase the level of the free of duty quota by 5 % after the each year. This should include the period of application of provisional measures, meaning that the first liberalisation will take place on 1 July 2019, with the second liberalisation taking place on 1 July 2020. Subsequent liberalisations will follow the same pattern.

8.5. Surveillance on steel products

- (189) Surveillance measures on steel products subject to this investigation were introduced in April 2016 since it appeared that trends in imports threatened to cause serious injury. Given the findings of this investigation and the imposition of definitive safeguard measures, the Commission considers that the surveillance system on steel products subject to safeguard measures should be suspended during the time of the imposition of safeguard measures.

9. EXCLUSION OF CERTAIN COUNTRIES FROM THE SCOPE OF THE DEFINITIVE MEASURES

- (190) In accordance with Article 18 of Regulation (EU) 2015/478 and the international obligations of the Union, the provisional 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.
- (191) The final determination made by the Commission shows that the product categories concerned originating in certain developing countries meet the requirements to benefit from the abovementioned derogation. Annex III.2 (*List of product categories originating in developing countries to which the provisional measures apply*) specifies the developing countries for the purposes of this Regulation. It also indicates for each of the 26 product categories the developing countries to which the provisional measures apply. The Commission considers it appropriate to calculate the volume of imports from developing countries, based on statistics available during the most recent period for each product category since the tariff rate quota is also established by reference to traditional trade flows from each category individually.
- (192) Since the exclusion of the developing country Members of the WTO should apply as long as their share of Union imports does not exceed 3 %, the Commission will carry out an assessment of the situation on a regular basis, and at least at the end of each year of imposition of measures, in order to examine whether any country has exceeded the above threshold and should eventually be included in the scope of the safeguard measures.
- (193) As set out in recital (80) of the provisional Regulation, on account of the close integration of markets with EEA members, the overall figures of imports from these countries, and the low risk of trade diversion, the Commission considers that the products under assessment originating in Norway, Iceland, and Liechtenstein should be excluded from the application of this Regulation. Furthermore, in order to comply with bilateral obligations, certain countries with which the Union has signed an Economic Partnership Agreement that is currently in force ⁽²⁹⁾ should also be excluded from the application of this Regulation. After the imposition of the provisional measures, the Commission did not receive any comment that would lead to a change in these conclusions which are therefore confirmed.

10. OBLIGATIONS ARISING FROM BI-LATERAL AGREEMENTS BETWEEN THE UNION AND THIRD COUNTRIES.

- (194) The Commission ensured that the safeguard measures taken pursuant to this Regulation also complies with the obligations arising from the bilateral Agreements signed with certain third countries.

⁽²⁹⁾ Botswana, Cameroon, Fiji, Ghana, Ivory Coast, Lesotho, Mozambique, Namibia, South Africa, Eswatini.

- (195) In this respect, it is noted that imports from the former Yugoslav Republic of Macedonia into the Union were found to have increased significantly in the period under investigation and contributed to the threat of serious injury suffered by the Union steel industry. These imports, therefore, meet the conditions required to take safeguard measures pursuant to Article 37(1) of the Stabilisation and Association Agreement concluded between the European Communities and their Member States, and the former Yugoslav Republic of Macedonia ⁽³⁰⁾.
- (196) It is also considered that given the scope and the conclusions of the investigation, there are serious disturbances in the steel sector, and that safeguard measures are therefore also justified under Article 26 of the Agreement concluded between the European Economic Community and the Swiss Confederation in 1972 ⁽³¹⁾.
- (197) Finally, imports originating in Turkey also fulfil the conditions required by Article 12 of the Agreement concluded between the European Coal and Steel Community and the Republic of Turkey on trade in products covered by the Treaty establishing the European Coal and Steel Community ⁽³²⁾ and Article 60 of Additional Protocol signed on 23 November 1970, annexed to the Agreement establishing the Association between the European Economic Community and Turkey ⁽³³⁾.

11. FINAL CONSIDERATIONS

- (198) In view of the case-law of the Court of Justice ⁽³⁴⁾, it is appropriate to provide for the rate of default interest to be paid in case of any potential reimbursement of definitive duties, because the relevant provisions in force concerning customs duties do not provide for such an interest rate, and the application of national rules would lead to undue distortions between economic operators depending on which Member State is chosen for customs clearance.
- (199) The measures provided for in this Regulation are in accordance with the opinion of the Committee on Safeguards established under Article 3(3) of Regulation (EU) 2015/478 and Article 22(3) of Regulation (EU) 2015/755 respectively,

HAS ADOPTED THIS REGULATION:

Article 1

1. Subject to Articles 6 and 7, a tariff quota is hereby opened in relation to imports into the Union of each of the 26 products categories concerned (defined by reference to the CN codes specified in relation to it in Annex I) and each of the periods specified in Annex IV.1 and IV.2.
2. For each of the product categories concerned, and with the exception of product category 1, a part of each tariff-rate quota is allocated to the countries specified in Annex IV.
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.
4. The drawings on each quarterly quota shall be stopped on the twentieth working day of the Commission following the end of the quarterly period. At the end of each quarter, the unused balances of the tariff-rate quota shall automatically be transferred to the next quarter. No unused balance at the end of the last quarter of each year of application of the definitive tariff-rate quota shall be transferred.
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. That provision shall only apply during the last quarter of each year of application of the definitive tariff-rate quota.
6. Where the relevant tariff-rate quota is exhausted or where imports of the product categories do not benefit from the relevant tariff-rate quota, an additional duty at the rate of 25 %, applicable to the net, free-at-Union-frontier price, before duty, shall be applied on the product categories set out in Annex IV.1.

⁽³⁰⁾ OJL 84, 20.3.2004, p.13.

⁽³¹⁾ OJL 300, 31.12.1972, p. 189.

⁽³²⁾ OJL 227, 7.9.1996, p. 3.

⁽³³⁾ OJL 293, 29.12.1972, p.3.

⁽³⁴⁾ Judgment of the Court (Third Chamber) of 18 January 2017, C-365/15, *Wortmann v Hauptzollamt Bielefeld*, EU:C:2017:19, paragraphs 35 to 39.

Article 2

1. The origin of any product to which this Regulation applies shall be determined in accordance with the provisions in force in the Union relating to non-preferential origin.
2. Unless otherwise specified, the provisions in force concerning customs duties shall apply. The default interest to be paid in case of reimbursement that gives rise to a right to payment of default interest shall be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the *Official Journal of the European Union*, in force on the first calendar day of the month in which the deadline falls, increased by one percentage point.

Article 3

The tariff-rate quotas set out in Article 1 shall be managed by the Commission and the Member States in accordance with the management system for tariff-rate quotas provided for in Articles 49 to 54 of Commission Implementing Regulation (EU) 2015/2447.

Article 4

The Member States and the Commission shall cooperate closely to ensure compliance with this Regulation.

Article 5

1. Subject to paragraph 2, imports of the 26 product categories specified in Annex IV originating in one of the countries specified in Annex III shall not be subject to the measures contained in Article 1.
2. For each of the 26 product categories specified in Annex IV, Annex III.2 specifies the originating countries which shall be subject to the measures set out in Article 1.

Article 6

1. Products originating in Norway, Iceland, and Liechtenstein shall not be subject to the measures set out in Article 1.
2. The following countries shall also not be subject to the measures set out in Article 1: Botswana, Cameroon, Fiji, Ghana, Ivory Coast, Lesotho, Mozambique, Namibia, South Africa, Eswatini.

Article 7

Prior surveillance measures in force by means of Commission Implementing Regulation (EU) 2016/670 ⁽³⁵⁾ shall be suspended for the products mentioned in Annex IV during the time of the imposition of safeguard measures set out in Article 1.

Article 8

During the period set out in Annexes IV.1 and IV.2 the Commission may review the measures in case of change of circumstances.

Article 9

Any amounts paid in respect of additional duties imposed pursuant to Implementing Regulation (EU) 2018/1013 in relation to the products specified in Annex IV of this Regulation shall be definitively collected at the level set in Article 1(3) of Implementing Regulation (EU) 2018/1013.

Article 10

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

⁽³⁵⁾ Commission Implementing Regulation (EU) 2016/670 of 28 April 2016 introducing prior Union surveillance of imports of certain iron and steel products originating in certain third countries (OJ L 115, 29.4.2016, p. 37).

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

Done at Brussels, 31 January 2019.

For the Commission
The President
Jean-Claude JUNCKER

ANNEX I

Product concerned

Product Number	Product category	CN Codes
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
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
3	Electrical Sheets (other than GOES)	7209 16 10, 7209 17 10, 7209 18 10, 7209 26 10, 7209 27 10, 7209 28 10, 7225 19 90, 7226 19 80
4	Metallic Coated Sheets	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
5	Organic Coated Sheets	7210 70 80, 7212 40 80
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
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
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
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
10	Stainless Hot Rolled Quarto Plates	7219 21 10, 7219 21 90
11	Grain-Oriented Electrical Sheet	7225 11 00, 7226 11 00
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
13	Rebars	7214 20 00, 7214 99 10

Product Number	Product category	CN Codes
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
15	Stainless Wire Rod	7221 00 10, 7221 00 90
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
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
18	Sheet Piling	7301 10 00
19	Railway Material	7302 10 22, 7302 10 28, 7302 10 40, 7302 10 50, 7302 40 00
20	Gas pipes	7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77
21	Hollow sections	7306 61 10, 7306 61 92, 7306 61 99
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
23	Bearing Tubes and Pipes	7304 51 12, 7304 51 18, 7304 59 32, 7304 59 38
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
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
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
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
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

II.1 — Growth in imports for the 26 product categories (in tonnes)

Product Number	Product category	2013	2014	2015	2016	2017	MRP	Growth MRP compared to 2013
1	Non Alloy and Other Alloy Hot Rolled Sheets and Strips	4 867 242	5 263 815	7 854 395	8 610 847	7 048 217	7 209 718	48 %
2	Non Alloy and Other Alloy Cold Rolled Sheets	1 837 875	1 906 067	2 761 337	2 007 299	2 463 937	2 463 941	34 %
3	Electrical Sheets (other than GOES)	266 355	284 376	279 777	312 647	377 744	433 526	63 %
4	Metallic Coated Sheets	1 855 325	2 203 135	2 688 830	3 924 906	5 019 132	4 637 052	150 %
5	Organic Coated Sheets	681 646	725 004	622 482	730 619	919 000	937 693	38 %
6	Tin Mill products	549 941	660 743	634 722	754 638	616 810	735 928	34 %
7	Non Alloy and Other Alloy Quarto Plates	1 439 430	1 968 634	2 573 220	2 834 744	2 549 694	2 374 170	65 %
8	Stainless Hot Rolled Sheets and Strips	157 197	213 885	247 090	326 631	407 886	408 468	160 %
9	Stainless Cold Rolled Sheets and Strips	645 004	954 179	697 199	753 058	869 091	972 415	51 %
10	Stainless Hot Rolled Quarto Plates	26 799	34 700	31 586	25 995	27 704	28 677	7 %
12	Non Alloy and Other Alloy Merchant Bars and Light Sections	942 999	1 265 397	1 233 328	1 429 511	1 419 973	1 792 392	90 %
13	Rebars	528 702	972 572	1 430 000	1 292 936	1 191 379	1 755 338	232 %
14	Stainless Bars and Light Sections	114 638	149 670	144 875	149 499	161 973	184 811	61 %
15	Stainless Wire Rod	52 068	71 209	57 542	58 659	63 022	69 786	34 %
16	Non Alloy and Other Alloy Wire Rod	1 107 169	1 267 308	1 694 707	2 001 322	2 093 877	2 354 164	113 %
17	Angles, Shapes and Sections of Iron or Non Alloy Steel	222 797	274 863	267 851	387 353	262 759	373 732	68 %

Product Number	Product category	2013	2014	2015	2016	2017	MRP	Growth MRP compared to 2013
18	Sheet Piling	15 871	16 497	14 051	36 683	84 549	83 502	426 %
19	Railway Material	14 587	25 532	23 202	12 494	18 232	23 013	58 %
20	Gas pipes	275 378	349 078	314 471	354 261	401 410	445 569	62 %
21	Hollow sections	485 038	578 426	602 190	757 274	862 889	956 360	97 %
22	Seamless Stainless Tubes and Pipes	42 417	55 590	54 948	51 614	49 593	49 781	17 %
24	Other Seamless Tubes	440 696	509 052	448 761	448 333	410 822	480 600	9 %
25	Large welded tubes	295 502	418 808	218 549	171 512	1 053 049	720 886	144 %
26	Other Welded Pipes	462 137	484 915	494 914	526 634	551 764	558 457	21 %
27	Non-alloy and other alloy cold finished bars	446 086	514 066	479 271	454 924	454 921	501 232	12 %
28	Non Alloy Wire	555 798	700 560	683 041	726 158	714 480	762 600	37 %

II.2 — Growth in imports for the 2 product categories (in tonnes)

Product Number	Product category	2013	2014	2015	2016	2017	MRP	Growth MRP compared to 2013
11	Grain-Oriented Electrical Sheet	114 388	112 258	101 737	109 518	99 917	106 570	- 7 %
23	Bearing Tubes and Pipes	7 475	8 998	8 337	7 035	6 137	6 265	- 16 %

III.1 — List of developing countries, members of the WTO

Afghanistan, Albania, Angola, Antigua and Barbuda, Argentina, Armenia, Bahrain, Bangladesh, Barbados, Belize, Benin, Bolivia, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cabo Verde, Cambodia, Cameroon, Central African Republic, Chad, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Eswatini, Fiji, Gabon, Gambia, Georgia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hong Kong, India, Indonesia, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyz Republic, Lao People's Democratic Republic, Lesotho, Liberia, Macao, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Solomon Islands, South Africa, Sri Lanka, Suriname, Tajikistan, Tanzania, Thailand, Former Yugoslav Republic of Macedonia, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, Uruguay, Vanuatu, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe.

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								x						x				
China			x	x		x		x		x	x			x			x	x		x	x	x	x	x	x	x
Egypt	x										x															
Former Yugoslav Republic of Macedonia					x		x												x	x						
India	x	x	x	x	x	x	x	x	x	x			x	x					x		x			x		
Indonesia							x																			
Malaysia									x																	
Mexico																						x				
Moldova												x			x											
Thailand									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			x	x
United Arab Emirates																x	x		x					x		
Vietnam		x		x					x																	

ANNEX IV

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	8 641 212,54	9 073 273,16	25 %	(¹)
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	603 720,07	633 906,07	25 %	09.8801
			Korea (Republic of)	144 402,99	371 425,82	389 997,11	25 %	09.8802
			Ukraine	102 325,83	263 197,14	276 357,00	25 %	09.8803
			Brazil	65 398,61	168 214,89	176 625,64	25 %	09.8804
			Serbia	56 480,21	145 275,43	152 539,20	25 %	09.8805
			Other countries	430 048,96	1 106 149,42	1 161 456,89	25 %	(²)
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	4 948,72	5 196,15	25 %	09.8806
			China	822,98	2 116,84	2 222,68	25 %	09.8807
			Russia	519,69	1 336,71	1 403,54	25 %	09.8808
			Iran (Islamic Republic of)	227,52	585,21	614,47	25 %	09.8809
			Other countries	306,34	787,96	827,35	25 %	(³)

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.B		7225 19 90, 7226 19 80	Russia	51 426,29	132 276,00	138 889,80	25 %	09.8811
			Korea (Republic of)	31 380,40	80 715,02	84 750,77	25 %	09.8812
			China	24 187,01	62 212,57	65 323,20	25 %	09.8813
			Taiwan	18 144,97	46 671,54	49 005,12	25 %	09.8814
			Other countries	8 395,39	21 594,19	22 673,90	25 %	(4)
4.A (5)	Metallic Coated Sheets	TARIC Codes: 7210 41 00 20, 7210 49 00 20, 7210 61 00 20, 7210 69 00 20, 7212 30 00 20, 7212 50 61 20, 7212 50 69 20, 7225 92 00 20, 7225 99 00 11, 7225 99 00 22, 7225 99 00 40, 7225 99 00 91, 7225 99 00 92, 7226 99 30 10, 7226 99 70 11, 7226 99 70 91, 7226 99 70 94	Korea (Republic of)	69 571,10	178 947,15	187 894,51	25 %	09.8816
			India	83 060,42	213 643,66	224 325,84	25 %	09.8817
			Other countries	761 518,93	1 958 739,13	2 056 676,09	25 %	(6)
4.B (7)		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	China	204 951,07	527 164,42	553 522,64	25 %	09.8821
			Korea (Republic of)	249 533,26	641 836,39	673 928,21	25 %	09.8822
			India	118 594,25	305 041,91	320 294,00	25 %	09.8823
			Taiwan	49 248,78	126 675,12	133 008,88	25 %	09.8824
			Other countries	125 598,05	323 056,72	339 209,55	25 %	(8)

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)		
5	Organic Coated Sheets	7210 70 80, 7212 40 80	India	108 042,36	277 900,89	291 795,94	25 %	09.8826
			Korea (Republic of)	103 354,11	265 842,04	279 134,14	25 %	09.8827
			Taiwan	31 975,79	82 246,46	86 358,79	25 %	09.8828
			Turkey	21 834,45	56 161,42	58 969,49	25 %	09.8829
			Former Yugoslav Republic of Macedonia	16 331,15	42 006,13	44 106,44	25 %	09.8830
			Other countries	43 114,71	110 897,39	116 442,26	25 %	(9)
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	406 757,31	427 095,17	25 %	09.8831
			Serbia	30 545,88	78 568,52	82 496,95	25 %	09.8832
			Korea (Republic of)	23 885,70	61 437,55	64 509,42	25 %	09.8833
			Taiwan	21 167,00	54 444,65	57 166,88	25 %	09.8834
			Brazil	19 730,03	50 748,55	53 285,98	25 %	09.8835
			Other countries	33 167,30	85 311,19	89 576,75	25 %	(10)
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	873 702,59	917 387,71	25 %	09.8836
			Korea (Republic of)	140 011,38	360 129,93	378 136,43	25 %	09.8837
			Russia	115 485,12	297 044,77	311 897,01	25 %	09.8838
			India	74 811,09	192 425,17	202 046,43	25 %	09.8839
			Other countries	466 980,80	1 201 143,58	1 261 200,76	25 %	(11)

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)		
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	224 622,62	235 853,75	25 %	09.8841
			Korea (Republic of)	18 082,33	46 510,43	48 835,95	25 %	09.8842
			Taiwan	12 831,07	33 003,41	34 653,58	25 %	09.8843
			United States of America	11 810,30	30 377,84	31 896,74	25 %	09.8844
			Other countries	10 196,61	26 227,19	27 538,55	25 %	(¹²)
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	182 141,97	191 249,07	25 %	09.8846
			Taiwan	65 579,14	168 679,23	177 113,19	25 %	09.8847
			India	42 720,54	109 883,53	115 377,71	25 %	09.8848
			United States of America	35 609,52	91 592,94	96 172,59	25 %	09.8849
			Turkey	29 310,69	75 391,41	79 160,98	25 %	09.8850
			Malaysia	19 799,24	50 926,57	53 472,90	25 %	09.8851
			Vietnam	16 832,28	43 295,10	45 459,86	25 %	09.8852
			Other countries	50 746,86	130 528,43	137 054,85	25 %	(¹³)
10	Stainless Hot Rolled Quarto Plates	7219 21 10, 7219 21 90	China	6 765,50	17 401,86	18 271,95	25 %	09.8856
			India	2 860,33	7 357,20	7 725,06	25 %	09.8857
			Taiwan	1 119,34	2 879,11	3 023,06	25 %	09.8858
			Other countries	1 440,07	3 704,07	3 889,27	25 %	(¹⁴)

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	427 536,89	448 913,74	25 %	09.8861
			Turkey	114 807,87	295 302,79	310 067,93	25 %	09.8862
			Russia	94 792,44	243 820,15	256 011,16	25 %	09.8863
			Switzerland	73 380,52	188 745,54	198 182,81	25 %	09.8864
			Belarus	57 907,73	148 947,24	156 394,60	25 %	09.8865
			Other countries	76 245,19	196 113,88	205 919,57	25 %	(¹⁵)
13	Rebars	7214 20 00, 7214 99 10	Turkey	117 231,80	301 537,50	316 614,37	25 %	09.8866
			Russia	94 084,20	241 998,46	254 098,38	25 %	09.8867
			Ukraine	62 534,65	160 848,36	168 890,77	25 %	09.8868
			Bosnia and Herzegovina	39 356,10	101 229,71	106 291,20	25 %	09.8869
			Moldova	28 284,59	72 752,14	76 389,74	25 %	09.8870
			Other countries	217 775,50	560 150,74	588 158,28		(¹⁶)
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	114 288,24	120 002,65	25 %	09.8871
			Switzerland	6 502,75	16 726,03	17 562,33	25 %	09.8872
			Ukraine	5 733,50	14 747,41	15 484,78	25 %	09.8873
			Other countries	8 533,24	21 948,75	23 046,19	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)		
15	Stainless Wire Rod	7221 00 10, 7221 00 90	India	10 135,23	26 069,31	27 372,78	25 %	09.8876
			Taiwan	6 619,68	17 026,79	17 878,13	25 %	09.8877
			Korea (Republic of)	3 300,07	8 488,26	8 912,67	25 %	09.8878
			China	2 216,86	5 702,09	5 987,20	25 %	09.8879
			Japan	2 190,40	5 634,03	5 915,73	25 %	09.8880
			Other countries	1 144,43	2 943,64	3 090,82	25 %	(18)
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	383 273,39	402 437,06	25 %	09.8881
			Switzerland	141 995,22	365 232,67	383 494,31	25 %	09.8882
			Russia	122 883,63	316 074,84	331 878,59	25 %	09.8883
			Turkey	121 331,08	312 081,44	327 685,51	25 %	09.8884
			Belarus	97 436,46	250 620,96	263 152,01	25 %	09.8885
			Moldova	73 031,65	187 848,18	197 240,59	25 %	09.8886
			Other countries	122 013,20	313 835,96	329 527,76	25 %	(19)
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	110 384,21	115 903,42	25 %	09.8891
			Turkey	38 465,03	98 937,73	103 884,61	25 %	09.8892
			Korea (Republic of)	10 366,76	26 664,84	27 998,09	25 %	09.8893
			Russia	9 424,08	24 240,12	25 452,12	25 %	09.8894
			Brazil	8 577,95	22 063,74	23 166,93	25 %	09.8895
			Switzerland	6 648,01	17 099,66	17 954,65	25 %	09.8896
			Other countries	14 759,92	37 964,70	39 862,93	25 %	(20)

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)		
18	Sheet Piling	7301 10 00	China	12 198,24	31 375,68	32 944,46	25 %	09.8901
			United Arab Emirates	6 650,41	17 105,84	17 961,13	25 %	09.8902
			Other countries	480,04	1 234,73	1 296,46	25 %	(²¹)
19	Railway Material	7302 10 22, 7302 10 28, 7302 10 40, 7302 10 50, 7302 40 00	Russia	2 147,19	5 522,90	5 799,05	25 %	09.8906
			China	2 145,07	5 517,42	5 793,30	25 %	09.8907
			Turkey	1 744,68	4 487,58	4 711,96	25 %	09.8908
			Ukraine	657,60	1 691,46	1 776,03	25 %	09.8909
			Other countries	1 010,85	2 600,06	2 730,07	25 %	(²²)
20	Gas pipes	7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77	Turkey	88 914,68	228 701,68	240 136,77	25 %	09.8911
			India	32 317,40	83 125,12	87 281,37	25 %	09.8912
			Former Yugoslav Republic of Macedonia	9 637,48	24 789,01	26 028,46	25 %	09.8913
			Other countries	22 028,87	56 661,52	59 494,59	25 %	(²³)
21	Hollow sections	7306 61 10, 7306 61 92, 7306 61 99	Turkey	154 436,15	397 232,59	417 094,22	25 %	09.8916
			Russia	35 406,28	91 070,18	95 623,68	25 %	09.8917
			Former Yugoslav Republic of Macedonia	34 028,95	87 527,48	91 903,85	25 %	09.8918
			Ukraine	25 240,74	64 922,92	68 169,06	25 %	09.8919
			Switzerland	25 265,29	57 369,40	60 237,87	25 %	09.8920
			Belarus	20 898,79	53 754,78	56 442,52	25 %	09.8921
			Other countries	25 265,29	64 986,05	68 235,36	25 %	(²⁴)

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)		
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	21 389,71	22 459,20	25 %	09.8926
			Ukraine	5 224,94	13 439,33	14 111,29	25 %	09.8927
			Korea (Republic of)	1 649,31	4 242,27	4 454,39	25 %	09.8928
			Japan	1 590,45	4 090,86	4 295,41	25 %	09.8929
			United States of America	1 393,26	3 583,68	3 762,86	25 %	09.8930
			China	1 299,98	3 343,74	3 510,92	25 %	09.8931
			Other countries	2 838,17	7 300,20	7 665,21	25 %	(25)
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	127 279,51	133 643,48	25 %	09.8936
			Ukraine	36 779,89	94 603,32	99 333,49	25 %	09.8937
			Belarus	19 655,31	50 556,35	53 084,17	25 %	09.8938
			Japan	13 766,04	35 408,29	37 178,71	25 %	09.8939
			United States of America	12 109,53	31 147,50	32 704,87	25 %	09.8940
			Other countries	55 345,57	142 356,97	149 474,82	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	361 649,91	379 732,41	25 %	09.8941
			Turkey	17 543,40	45 124,22	47 380,43	25 %	09.8942
			China	14 213,63	36 559,56	38 387,54	25 %	09.8943
			Other countries	34 011,86	87 483,52	91 857,70	25 %	(27)

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)		
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	166 669,96	175 003,46	25 %	09.8946
			Turkey	60 693,64	156 113,01	163 918,66	25 %	09.8947
			United Arab Emirates	18 676,40	48 038,46	50 440,38	25 %	09.8948
			China	18 010,22	46 324,96	48 641,20	25 %	09.8949
			Taiwan	14 374,20	36 972,56	38 821,19	25 %	09.8950
			India	11 358,87	29 216,69	30 677,53	25 %	09.8951
			Other countries	36 898,57	94 908,57	99 653,99	25 %	(²⁸)
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	302 277,28	317 391,14	25 %	09.8956
			Switzerland	27 173,22	69 893,54	73 388,22	25 %	09.8957
			China	20 273,26	52 145,82	54 753,12	25 %	09.8958
			Ukraine	15 969,02	41 074,67	43 128,40	25 %	09.8959
			Other countries	17 540,47	45 116,69	47 372,52	25 %	(²⁹)
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	227 106,51	238 461,84	25 %	09.8961
			China	66 719,82	171 613,24	180 193,90	25 %	09.8962
			Russia	41 609,21	107 025,04	112 376,29	25 %	09.8963
			Turkey	40 302,46	103 663,89	108 847,08	25 %	09.8964
			Ukraine	26 755,09	68 818,05	72 258,95	25 %	09.8965
			Other countries	39 770,29	102 295,06	107 409,81	25 %	(³⁰)

(¹) 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: 09.8601.

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: 09.8602

(²) 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

(³) 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

(⁴) 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

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

		YEAR 1		YEAR 2				YEAR 3			
Product number		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	2 172 108,07	2 148 498,20	2 148 498,20	2 286 962,00	2 286 962,00	2 237 245,44	2 262 103,72
2	Other countries	167 401,61	262 647,35	278 048,49	278 048,49	275 026,22	275 026,22	292 750,78	292 750,78	286 386,63	289 568,70
3A	Other countries	119,25	187,09	198,07	198,07	195,91	195,91	208,54	208,54	204,01	206,27
3B	Other countries	3 268,01	5 127,39	5 428,05	5 428,05	5 369,05	5 369,05	5 715,07	5 715,07	5 590,82	5 652,94
4A	Other countries	296 430,19	465 088,74	492 360,66	492 360,66	487 008,91	487 008,91	518 395,07	518 395,07	507 125,61	512 760,34
4B	Other countries	48 890,51	76 707,53	81 205,51	81 205,51	80 322,84	80 322,84	85 499,39	85 499,39	83 640,71	84 570,05
5	Other countries	16 782,91	26 331,80	27 875,85	27 875,85	27 572,85	27 572,85	29 349,83	29 349,83	28 711,79	29 030,81
6	Other countries	12 910,76	20 256,54	21 444,34	21 444,34	21 211,25	21 211,25	22 578,25	22 578,25	22 087,42	22 332,83
7	Other countries	181 777,76	285 203,04	301 926,80	301 926,80	298 644,99	298 644,99	317 891,70	317 891,70	310 981,01	314 436,35
8	Other countries	3 969,15	6 227,46	6 592,63	6 592,63	6 520,97	6 520,97	6 941,22	6 941,22	6 790,33	6 865,78
9	Other countries	19 753,81	30 993,05	32 810,42	32 810,42	32 453,79	32 453,79	34 545,33	34 545,33	33 794,35	34 169,84
10	Other countries	560,56	879,51	931,08	931,08	920,96	920,96	980,31	980,31	959,00	969,65
12	Other countries	29 679,33	46 565,85	49 296,38	49 296,38	48 760,55	48 760,55	51 903,01	51 903,01	50 774,69	51 338,85

		YEAR 1		YEAR 2				YEAR 3			
Product number		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
13	Other countries	84 771,67	133 003,83	140 802,92	140 802,92	139 272,45	139 272,45	148 248,11	148 248,11	145 025,33	146 636,72
14	Other countries	3 321,66	5 211,58	5 517,17	5 517,17	5 457,20	5 457,20	5 808,90	5 808,90	5 682,62	5 745,76
15	Other countries	445,48	698,95	739,93	739,93	731,89	731,89	779,06	779,06	762,12	770,59
16	Other countries	47 495,07	74 518,13	78 887,73	78 887,73	78 030,25	78 030,25	83 059,05	83 059,05	81 253,42	82 156,24
17	Other countries	5 745,47	9 014,45	9 543,04	9 543,04	9 439,31	9 439,31	10 047,64	10 047,64	9 829,22	9 938,43
18	Other countries	186,86	293,18	310,37	310,37	306,99	306,99	326,78	326,78	319,68	323,23
19	Other countries	393,49	617,37	653,57	653,57	646,46	646,46	688,13	688,13	673,17	680,65
20	Other countries	8 575,00	13 453,88	14 242,79	14 242,79	14 087,97	14 087,97	14 995,90	14 995,90	14 669,90	14 832,90
21	Other countries	9 834,81	15 430,48	16 335,29	16 335,29	16 157,73	16 157,73	17 199,05	17 199,05	16 825,16	17 012,10
22	Other countries	1 104,79	1 733,38	1 835,02	1 835,02	1 815,08	1 815,08	1 932,05	1 932,05	1 890,05	1 911,05
24	Other countries	21 543,91	33 801,65	35 783,72	35 783,72	35 394,77	35 394,77	37 675,84	37 675,84	36 856,80	37 266,32
25	Other countries	13 239,52	20 772,34	21 990,39	21 990,39	21 751,37	21 751,37	23 153,17	23 153,17	22 649,84	22 901,51
26	Other countries	14 363,20	22 535,37	23 856,80	23 856,80	23 597,48	23 597,48	25 118,27	25 118,27	24 572,22	24 845,24
27	Other countries	6 827,84	10 712,64	11 340,81	11 340,81	11 217,54	11 217,54	11 940,47	11 940,47	11 680,90	11 810,68
28	Other countries	15 481,05	24 289,24	25 713,51	25 713,51	25 434,02	25 434,02	27 073,16	27 073,16	26 484,61	26 778,88