



Global Trade Advisory Alert

EU imposes provisional safeguard measures on import of steel products

On 18 July 2018, the European Commission adopted provisional safeguard measures on imports of certain steel products pursuant to [Implementing Regulation 2018/1013](#).

The EU safeguard investigation comes as a response to the threat of trade diversion of steel products to the EU as a consequence of [additional tariffs applied by the US government on steel on 23 March 2018 under Section 232 of the US Trade Expansion Act of 1962](#).

What does this mean for you?

The products investigated encompass 28 steel product categories within Chapters 72 and 73 of the Combined Nomenclature. These product categories were found to be also subject to the US tariff measures under Section 232. However, the EU provisional safeguard measures will only apply to 23 steel product categories for which imports into the EU were found to be increasing significantly over the last five years.

Entered into force on 19 July 2019, the EU's provisional measures will take the form of tariff rate quotas (TRQs), in excess of which an additional duty of 25% will be owed. For each of the 23 product categories covered by the Implementing Regulation, quotas are calculated on the historical annual level of imports in the years 2015, 2016, and 2017. TRQs will then be allocated in the chronological order of the declarations of release for free circulation, allowing for equal access for all importers in the EU.

Provisional measures will, however, not apply to:

- any product originating in a developing country, provided that imports from these countries represent less than 3% of the total import of the impacted products; or
- any product originating in one of the European Economic Area countries (Norway, Iceland, and Liechtenstein) due to the close economic ties between the EU and these countries.

These exclusions are compatible with both the EU's bilateral and multilateral WTO obligations.

The provisional safeguards measures will remain in effect for a maximum of 200 calendar days as of the entry into force of the Implementing Regulation on 19 July 2018. Definitive safeguard measures are expected to be published before the end of January 2019.

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- assessing the impact of these measures on a company's supply chain;
- advising on compliance with the rules;
- providing guidance on the application of TRQs; and
- monitoring other trade measures taken globally.

For more information, contact:

Global

Fernand Rutten
frutten@deloitte.com

Americas

Michele McGuire
mimcguire@deloitte.com

Asia-Pacific

Sarah Chin
sachin@deloitte.com

EMEA

Klaas Winters
klwinters@deloitte.nl



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