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สภาอุตสาหกรรมฯ
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เวลา .... น.

ถึง ประธานสภาอุตสาหกรรมแห่งประเทศไทย

กรมการค้าต่างประเทศขอส่งประกาศผลการทบทวนการใช้มาตรการปกป้องจากการนำเข้าสินค้าที่เพิ่มขึ้น (Safeguard Measure: SG) จากกรณีคณะกรรมาธิการสหภาพยุโรป (European Commission) วินิจฉัยให้คงการใช้มาตรการ SG กับสินค้าเหล็กกล้า (certain steel products) รวม ๒๖ กลุ่มสินค้าต่อไป ซึ่งประกาศฯ ดังกล่าวได้แสดงข้อมูลสรุปเป็นรายการสินค้าเหล็กที่ถูกพิจารณาใช้มาตรการและมีปริมาณโควตารวมที่มีอัตราการผ่อนคลายการใช้มาตรการที่ร้อยละ ๔ ต่อปี โดยในกลุ่มสินค้าที่ปรับเปลี่ยนและเกี่ยวข้องกับไทย คือ ๑) กลุ่มสินค้าที่ไทยถูกปรับออกจากการถูกใช้มาตรการ ได้แก่ กลุ่มสินค้าที่ ๙ เหล็กกล้าไร้สนิมรีดเย็น กลุ่มสินค้าที่ ๒๔ สินค้าท่อไร้ตะเข็บอื่นๆ และกลุ่มสินค้า ๔A เหล็กเคลือบโลหะ และ ๒) กลุ่มสินค้าที่ไทยถูกใช้มาตรการโดยการกำหนดโควตารวมกับกลุ่มประเทศที่กำลังพัฒนา ได้แก่ กลุ่มสินค้าที่ ๔B เหล็กเคลือบโลหะ กลุ่มสินค้าที่ ๕ เหล็กแผ่นเคลือบอินทรีย์ กลุ่มสินค้าที่ ๒๕B ท่อเชื่อมตะเข็บขนาดใหญ่ และ กลุ่มสินค้าที่ ๒๘ ลวดเหล็กไม่เจือ ทั้งนี้สามารถดาวน์โหลดเอกสารประกาศดังกล่าวโดยสแกน QR code ตามที่แนบ จึงเรียนมาเพื่อทราบและเผยแพร่ให้สมาชิกทราบต่อไป

กรมการค้าต่างประเทศ
DEPARTMENT OF FOREIGN TRADE

กรมการค้าต่างประเทศ
กระทรวงพาณิชย์
๑๘ กรกฎาคม ๒๕๖๖

รับเอกสารแล้ว
ชื่อผู้รับ กม.(แก้ทาฯ)
วันที่ 21 ก.ค. 2566/15:15น.
โทรศัพท์ ....

กองปกป้องและตอบโต้ทางการค้า
โทร ๐๒ ๕๔๗ ๔๗๔๐
โทรสาร ๐๒ ๕๔๗ ๔๗๔๑

COMMISSION IMPLEMENTING REGULATION (EU) 2023/1301

of 26 June 2023

amending Commission Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure on imports of certain steel products

THE EUROPEAN COMMISSION,

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 Articles 16 and 20 thereof,

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

Whereas:

1. BACKGROUND

(1) By Commission Implementing Regulation (EU) 2019/159 ('the Definitive Regulation') ([3]), the European Commission imposed a definitive safeguard measure on certain steel products ('the safeguard measure'), which consists of tariff-rate quotas ('TRQs') with respect to certain steel products ('the product concerned') encompassing 26 steel product categories, set at levels preserving traditional trade flows on a per-product-category basis. A 25 % tariff duty applies only if the quantitative thresholds of these TRQs, which increase (currently by 4%) annually as a result of liberalisation, are exceeded. The safeguard measure was imposed for an initial period of three years, that is to say, until 30 June 2021.

(2) By Commission Implementing Regulation (EU) 2021/1029 ([4]) ('the Prolongation Review Regulation'), the Commission prolonged the safeguard measure until 30 June 2024.

(3) The Commission made technical adjustments to the measure as a result of different functioning review investigations, by means of Commission Implementing Regulation (EU) 2019/1590 ([5]) ('First functioning review regulation'), Commission Implementing Regulation (EU) 2020/894 ([6]) ('Second functioning review regulation'), and Commission Implementing Regulation (EU) 2022/978 ([7]) ('Third functioning review regulation') respectively. The

([1]) Regulation (EU) 2015/478 of the European Parliament and of the Council of 11 March 2015 on common rules for imports, (OJ L 83, 27.3.2015, p. 16).

([2]) Regulation (EU) 2015/755 of the European Parliament and of the Council of 29 April 2015 on common rules or imports from certain third countries, (OJ L 123, 19.5.2015, p. 33).

([3]) Commission Implementing Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products, (OJ L 31, 1.2.2019, p. 27 ("Definitive Safeguard Regulation").

([4]) Commission Implementing Regulation (EU) 2021/1029 of 24 June 2021 amending Commission Implementing Regulation (EU) 2019/159 to prolong the safeguard measure on imports of certain steel products, (OJ L 225 I, 25.6.2021, p.1).

([5]) Commission Implementing Regulation (EU) 2019/1590 of 26 September 2019 amending Implementing Regulation (EU) 2019/159 imposing definitive safeguard measures against imports of certain steel products, (OJ L 248, 27.9.2019, p. 28).

([6]) Commission Implementing Regulation (EU) 2020/894 of 29 June 2020 amending Implementing Regulation (EU) 2019/159 imposing definitive safeguard measures against imports of certain steel products, (OJ L 206, 30.6.2020, p. 27).

([7]) Commission Implementing Regulation (EU) 2022/978 of 23 June 2022 amending Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure on imports of certain steel products, (OJ L 167, 24.6.2022, p.58).

Commission also reviewed the measure following the withdrawal of the United Kingdom from the Union ([8]). The Commission adjusted the measure following certain events, in particular the imposition of an import ban on steel from Russia and Belarus in the context of Russia's unprovoked and unjustified military aggression against Ukraine ([9]), and the expiration of certain provisions in a bilateral agreement with preferential trading partners ([10]).

2. **SCOPE OF THE INVESTIGATION**

(4) Recital (85) of the Prolongation Review Regulation stated that "with a view to guaranteeing that the safeguard measure remains in place only to the extent that it is necessary, the Commission will carry out a review to determine whether, on the basis of the circumstances at that time, the safeguard measure should be terminated by 30 June 2023 namely after two years of prolongation".

(5) In the Prolongation Review Regulation, the Commission further noted that, in addition to assessing the possible termination of the measure by 30 June 2023 in view of the circumstances present at that time, it may also use this review, in case of no early termination of the measure, to update the list of developing countries subject to and excluded from the measure based on 2022 import data and to assess whether the level of liberalisation continued to be appropriate.

3. **PROCEDURE**

(6) The Commission thus initiated a review investigation by means of a Notice of Initiation ('the Notice') published in the Official Journal of the European Union on 2 December 2022 ([11]). The Notice invited interested parties to provide evidence and data to determine whether it would be justified to terminate the measure by 30 June 2023.

(7) The Commission sought specific information from Union producers and users via questionnaires, which were made available to interested parties on the public file ('TRON') ([12]) as well as on the European Commission's (DG TRADE) website ([13]).

(8) As in previous review investigations, the Commission devised a two-stage written procedure. First, parties had the possibility to send their submissions and where applicable, a reply to the questionnaires by 13 January 2023. The Commission made this information available on the public file and interested parties had the possibility to make comments (rebuttals phase). The Commission subsequently made the rebuttals available in TRON.

(9) At a later stage of the proceeding the Commission uploaded on TRON the updated set of questionnaire replies from Union producers to include the most recent data available, namely economic indicators of the last quarter of 2022. Interested parties were given the opportunity to comment on the updated information.

([8]) Commission Implementing Regulation (EU) 2020/2037 of 10 December 2020 amending Implementing Regulation (EU) 2019/159 imposing definitive safeguard measures against imports of certain steel products, (OJ L 416, 11.12.2020, p.32).
([9]) Commission Implementing Regulation (EU) 2022/434 of 15 March 2022 amending Regulation (EU) 2019/159 imposing a definitive safeguard measure against imports of certain steel products, (OJ L 88, 15.3.2022, p.181).
([10]) Commission Implementing Regulation (EU) 2022/664 of 21 April 2022 amending Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure against imports of certain steel product, (OJ L 121, 22.4.2022, p.12).
([11]) OJ C 459, 2.12.2022, p.6.
([12]) https://tron.trade.ec.europa.eu/tron/TDI
([13]) https://tron.trade.ec.europa.eu/investigations/case-history?caseId=2645

4. FINDINGS OF THE INVESTIGATION

(10) As per the Prolongation Review Regulation, the safeguard measure was set to be in place until 30 June 2024. At that time, the Commission concluded that an increase in the volume of imports should the measure be terminated as originally expected, could undermine significantly any meaningful economic recovery and the efforts being made by the Union steel industry in its process of adjustment to a higher level of imports. Therefore, the measure could be terminated on 30 June 2023 only if the Commission concluded in view of the circumstances following the Prolongation review, and on the basis of the evidence available (including the submissions and rebuttals received from interested parties in the ongoing review investigation) that such early termination would be justified. Conversely, in the absence of positive evidence justifying an early termination, the measure would automatically continue to be in place until 30 June 2024.

(11) In order to carry out its assessment, the Commission examined the comments and evidence received from interested parties, including the questionnaire replies, and where necessary crosschecked the information against any other available sources that it gathered through its own research as part of the investigation. As will be explained below, the Commission concluded that, under current circumstances, the early termination of the safeguard measure would not be justified.

4.1. Assessment of the claims requesting the termination of the measure

4.1.1. *Alleged insufficiency of steel for users due to quick exhaustion of some TRQs*

(12) Some interested parties claimed that the fact that some TRQs (be them country-specific or residual) were exhausted before the end of a given quarter would show that the existing volume of free-of-duty steel available from imports is insufficient. Accordingly, parties claimed that this situation resulted in users not being able to source the steel required for their businesses.

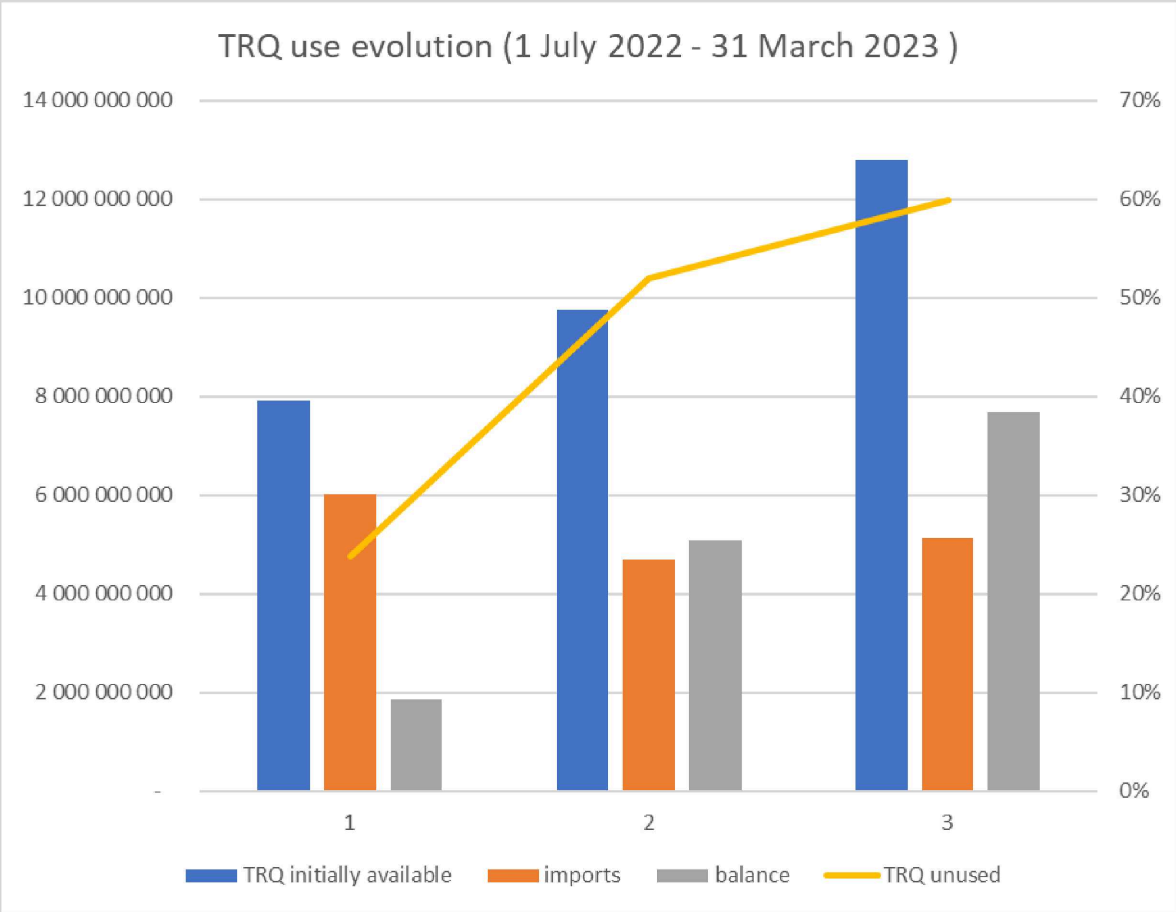
(13) The Commission observed that, like it had been the case since the imposition of the definitive safeguard measure in February 2019, certain origins exhausted TRQs in some product categories in the early days of a quarter also in the period assessed in this review investigation. However, as confirmed in previous investigations ([14]), this fact cannot lead to the conclusion that the safeguard measure creates a shortage of steel for users in general. In this respect, the Commission noted that the claims by some interested parties referred to the exhaustion of some specific TRQs in isolation, without referring to the overall availability of steel outside a specific origin that may have exhausted its country-specific TRQ quickly. Thus, the Commission confirmed that, whilst some specific origins were exhausted at a given moment in time in certain product categories, in general terms access to other origins remained largely available for those product categories.

(14) In this respect, the Commission assessed the overall TRQ use in the ongoing safeguard year (July 22-June 23) based on the data available at the time of making the determination, namely, the complete set of data of the first three quarters of the period (July 22 – March 23). This data showed the following TRQ use evolution:

([14]) See, inter alia, Section 3.2.1. of Second Review Regulation, recitals (27) and (28) of the Prolongation Review Regulation and recital (56) of Third Review Regulation.

Table 1

TRQ use evolution ([15])



(15) The Commission also assessed the TRQ use and availability on a per product category basis to confirm the overall trend displayed in Table 1. The combined assessment unequivocally showed that Union users had the possibility to source free-of-duty steel from several sources quarter after quarter across virtually all product categories, and that the available free-of-duty volumes were increasing (in some cases substantially) quarter after quarter.

(16) In view of these facts, the Commission concluded that the claims regarding shortage of imported steel ([16]) did not correspond to the data assessed. The analysis also showed an increasing volume of TRQs unused across categories. Relevant data regarding the evolution of the market, e.g. consumption in the Union market, showed a progressive slowing down in the second half of 2022 (See Section 4.2.2). Moreover, no evidence was provided showing that, with respect to the products under those exhausted TRQs, there was insufficient supply from Union producers.

(17) For these reasons, the Commission disagreed with the claims that the quick exhaustion of some TRQs (from some origins) in certain categories would have led to a shortage of steel in the Union market.

([15]) Source: European Commission based on the information regarding TRQ daily use available at: https://ec.europa.eu/taxation_customs/dds2/taric/quota_consultation.jsp

([16]) In addition to free-of-duty steel available from other third country sources Union users may have had the possibility, at least in some situations, of resorting also to steel available from Union producers.

4.1.2. *Alleged reduced risk of trade diversion due to changes in the US Section 232 measure*

(18) Some interested parties argued that, because of some changes in the US Section 232 measure, the risk of trade diversion would have been allegedly reduced to the point that the safeguard measure would no longer be necessary on these grounds.

(19) The Commission had assessed the evolution of the US Section 232 measure in previous reviews and concluded that the changes in the US Section 232 measure did not alter the basis underpinning the assessment regarding the risk of trade diversion. ([17]) In the context of this investigation, the Commission looked into the latest developments of the US measure. In the first place, the Commission observed that the US Administration did not appear to have intentions to remove the measure in the near future, noting that "[t]he Biden Administration is committed to preserving U.S. national security by ensuring the long-term viability of our steel and aluminum industries, and we do not intend to remove the Section 232 duties as a result of these disputes" ([18]).

(20) Secondly, in light of the information presented by interested parties and its own analysis, the Commission established that the following changes to the US 232 measure had taken place since the Commission last assessed this argument in the Third Review Regulation of June 2022 ([19]): first, as of 1 June 2022, the US established a TRQ for the UK whereby certain volume of in-quota imports are exempted from the measure, while out-of-quota imports remain subject to the additional 25% duty. Second, as of 1 June 2022, the US suspended the measure for Ukraine temporarily.

(21) The analysis showed that the scope of the US Section 232 measure barely changed since the Commission last assessed it in the Third Review Regulation, which showed that the US market continues to be heavily shielded from steel imports.

(22) The Commission further assessed the evolution of imports into the US market ([20]), and confirmed that in overall terms, they had gone down by -10% in 2022 as compared to 2017, the year prior to the imposition of the US Section 232 measure ([21]). As regards imports into the US market from those countries that are the main steel supplying countries into the Union, the trend is much steeper, as their combined imports fell by -27%, representing a reduction of over 2 million tonnes.

(23) Therefore, the Commission confirmed that imports into the US market continued to be significantly below pre-Section 232 measure levels. With the US market still affected by the Section 232 measures, the Union market remains the largest steel importing market worldwide.

(24) The Commission also noted that interested parties did not provide any evidence in this investigation that would put into question the Commission's findings in previous investigations and thus, did not alter the findings of those investigations with regard to the risk of trade diversion into the Union market stemming from the US Section 232 measure.

4.1.3. *Alleged risk of shortage of supply due to Union producers idling certain facilities in 2022 amidst high energy prices*

(25) Some interested parties observed that some Union producers had temporarily stopped or reduced production in some of their production sites due to the surge of costs associated to energy. In this respect, these parties argued that as a result there was a risk of shortage of supply in the market, and of increased prices due to reduced supply from the Union producers' side.

([17]) See, for instance, Section 3.5 of the Third Review Regulation.
([18]) See Statement from USTR Spokesperson Adam Hodge of 9 December 2022: https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/december/statement-ustr-spokesperson-adam-hodge
([19]) See recitals (54) to (59) of Commission Implementing Regulation (EU) 2022/978 of 23 June 2022 amending Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure on imports of certain steel products; OJ L 167, 24.6.2022, p. 58.
([20]) Source : https://dataweb.usitc.gov/
([21]) This calculation does not take into account imports into the US from the EU, as the analysis under this section is focused on assessing the possible trade diversion from third countries into the Union market.

(26) The Commission's analysis showed that indeed, amid a spike in energy prices in the Union ([22]), several Union producers temporarily idled some production facilities to mitigate the impact on their economic performance ([23]). However, such measures were of temporary nature and the evidence available indicates that Union producers had either brought back most of the capacity into operation or were in the process of doing so ([24]).

(27) Therefore, the Commission concluded that the temporary idling of certain production facilities that took place mostly in the second half of 2022 was a temporary situation and it has been largely reversed by restarting previously idled production during the first months of 2023.

4.1.4. *Alleged obstacles posed by the safeguard to imports that are necessary to satisfy demand*

(28) In connection to the above argument, some interested parties also argued that imports from a variety of third countries are necessary to satisfy demand and that the safeguard measure constitutes an obstacle for sourcing without restrictions from specific origins at any given point in time. Some interested parties also made general claims concerning longer delivery times from Union producers and increased steel prices.

(29) In this regard the Commission noted that the safeguard measure was designed in a way to ensure that historical trade flows would continue to enter the Union market free-of-duty. Such historical volumes have furthermore been progressively liberalised year after year. The Commission, in previous reviews of the measure, explained that interested parties active in the steel sector needed to adapt to the existing regulatory framework (in this case, the existence of a safeguard measure) when conducting their business. As shown in recital (14), the data analysed in this review clearly showed that there has been an increasing volume of TRQs unused quarter after quarter across product categories and that Union producers had generally additional capacity available. Therefore, the fact that imports from one specific origin in a given category may have exhausted the relevant TRQ before the end of a quarter, does not mean that the safeguard measure has unduly restricted the ability of interested parties to source steel free-of-duty from other sources, including other third countries or the Union.

(30) Regarding delivery times, the Commission noted that the views among some interested parties appeared to differ regarding whether the Union delivery times were standard or whether they were abnormally long. In view of the contradictory claims on this subject among users, and the fact that no evidence was received showing that longer than usual delivery times was currently a common phenomenon in the Union, the Commission considered that delivery times could not be currently regarded as a supply issue.

(31) Regarding steel prices, the Commission assessed the evolution of prices in the Union and in other major steel markets and noted that in the first quarter of 2023 prices had drastically decreased when compared to the peak reached in 2022. Such a decrease in prices took place in a context of increasing energy costs for, among others, Union steel producers. The Commission considered that the evolution of prices in the Union market could thus not be directly linked to the safeguard measure, as a comparable trend which also coincided in time was observed in other major steel markets. In addition, the Commission noted that the availability of free-of-duty TRQs throughout the period ensured that users had generally alternative options to paying the 25% duty or sourcing from Union producers, thus not preventing relevant additional free-of-duty imports from entering the Union market.

([22]) S&P Global: Current gas, electricity prices threaten European steelmaking viability: https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/metals/090922-current-gas-electricity-prices-threaten-european-steelmaking-viability-eurofer (9 September 2022); Steel makers fear deepening crisis from energy crunch as output halted: https://www.reuters.com/business/energy/steel-makers-fear-deepening-crisis-energy-crunch-output-halted-2022-09-23/ (Reuters, 23 September 2022). To see the evolution of natural gas prices in the Union, see, for instance, Trading Economics: https://tradingeconomics.com/commodity/eu-natural-gas (last accessed 30 April 2023).

([23]) See, as an example: ArcelorMittal To Idle Parts of Three Plants as Energy Costs Bite: https://www.bloomberg.com/news/articles/2022-09-02/arcelormittal-to-idle-parts-of-three-plants-as-energy-costs-bite#xj4y7vzkg (Bloomberg, 2 September 2022); Steel Plants Across Europe Cut Production as Power Prices Soar: https://www.bloomberg.com/news/articles/2022-03-09/spanish-steel-production-curbed-as-power-costs-soar-to-a-record#xj4y7vzkg (Bloomberg, 9 March 2022);

([24]) S&P Global: Back in action: European mills restart idled blast furnaces on higher flat steel prices, 13 March 2023: https://www.spglobal.com/commodityinsights/en/market-insights/blogs/metals/031323-back-in-action-european- mills-restart-idled-blast-furnaces-on-higher-flat-steel-prices. See also: Eurometal: Flat steel producer Acciaierie d'Italia to boost production in 2023, 2024: Flat steel producer Acciaierie d'Italia to boost production in 2023, 2024 - EUROMETAL; GMK: US Steel Kosice resumed operation of the blast furnace after a month and a half of downtime: https://gmk.center/en/news/us-steel-kosice-resumed-operation-of-the-blast-furnace-after-a-month-and-a-half-ofdowntime/

(32) Therefore, the Commission concluded that the evolution of prices was showing a downwards trend towards the end of 2022, and that they had substantially decreased when compared to their peak earlier in 2022. Moreover, the Commission confirmed that these trends were also observed in other major steel markets, thus indicating that this was a rather global phenomenon not linked to the Union market and the safeguard measure.

(33) In view of the above elements, the Commission considered that interested parties did not demonstrate that the safeguard measure would have overall limited their ability to source steel free-of-duty in light of existing demand, nor have they shown how in the future that would be the case if the measure continued to be in place in light of forecasted demand and future TRQ levels (see Section 6).

4.1.5. *Alleged lack of import pressure due to low TRQ use*

(34) Some interested parties argued that because overall, TRQs across product categories were not being used, and in some cases showing a very low use level, the measure would no longer be necessary and therefore the Commission should terminate the safeguard measure.

(35) While Table 1 shows that the rate of TRQ use has undeniably gone down quarter on quarter, the Commission considered that conclusions cannot be drawn by assessing this fact in isolation. This fact should be put into a context of decreasing consumption. In this respect, the Commission assessed in further detail the extent of import pressure by looking at the total volume of imports and their share over total consumption in the same period, and by focusing on the TRQ use, notably those instances where country-specific TRQs by some origins were rapidly exhausted.

(36) First, regarding the overall volume of imports, the Commission noted that despite a slowdown in Union consumption notably in the second half of 2022, which impacted the level of TRQ use, imports in the year 2022 totalled 31.1 million tonnes. This constitutes the third highest level of imports in the last decade. In terms of market share, imports reached 19%, with an upwards increase towards the end of 2022 (reaching 21% in the last quarter of 2022). This is the second highest market share achieved by imports in the last decade ([25]), only exceeded by the share of imports in the year 2018, which also constituted the peak volume of imports in the last decade. Therefore, despite a reduction in the level of TRQ use in a situation of lower consumption, data shows that import pressure increased and remained, in terms of market share, close to the historically high levels reached just before the adoption of a definitive safeguard measure in early 2019.

(37) Secondly, in every quarter there were several country-specific TRQs which indeed were fully used in the early stages of a quarter. This phenomenon, which was addressed by the Commission in previous regulations ([26]), showed that there continued to be import pressure from certain origins in some product categories despite the overall availability of TRQ volumes, thus contributing to the increase in market share of imports in a context of decreasing demand.

(38) Lastly, and although interested parties arguing in favour of termination did not generally refer to it, the Commission considers that the assessment regarding existing and future import pressure on the Union market cannot be done in isolation, e.g., by looking only at the TRQ use. Rather, it needs to be done by looking at the several existing parameters in the sector, also including the evolution of overcapacity. In this regard, the Commission observed that global overcapacity in the steel sector had further increased.

(39) The most recent estimates by the OECD point to additional global capacity being added. The OECD noted in February 2023: '*The risk of a global excess capacity crisis has increased. Despite declining steel demand, and a weak outlook, capacity expansions continue at a robust pace, often in pursuit of export markets. The gap between global capacity and crude steel production surged to 632.0 mmt in 2022 from 516.9 mmt in 2021. The recent rise in excess capacity poses risks for the long-term health and viability of the steel industry, and its ability to enable economic growth and prosperity.*' ([27])

([25]) For import share in the period 2013-2017 see Table 2 of Definitive Regulation. For import share in the period 2018-2020, see Table 10 of Prolongation Regulation. The share of imports in 2021 was 18.1%.
Source: Eurostat for imports, and industry data and questionnaire replies for consumption.

([26]) See references included in footnote 14 to recital (13) of this Regulation.

([27]) OECD, Latest Developments in Steelmaking Capacity (17 February 2023).

(40) The OECD further added: 'In 2022 alone, global steelmaking capacity increased by 32.0 million metric tonnes (mmt) to 2 463,4 mmt. To give a sense of the actual magnitudes involved, the increases seen in global capacity are larger than the existing capacity levels of some large steel-producing economies'. ([28])

(41) Therefore, the Commission considers that the lower use of TRQs does not necessarily imply a reduction in the import pressure which could justify the termination of the measure by 30 June 2023.

4.1.6. *Allegation that market outlooks support an early termination*

(42) Some interested parties relied on some market outlooks to support the argument of a termination of the measure by 30 June 2023. In their view, some forecasts would suggest that the situation in the Union steel market was expected to improve towards the end of 2023 and therefore the Commission should remove the safeguard measure to ensure that downstream industries are not constrained by the measure and can benefit fully from these alleged improving market conditions.

(43) The Commission analysed multiple sources to obtain a good understanding of the market outlooks. All sources analysed presented a rather gloomy forecast for the global steel sector, including the Union market, for 2023-24, pointing to high uncertainty, in particular triggered by Russia's unprovoked and unjustified military aggression against Ukraine, inflation, the increased energy prices ([29]), and an economic slowdown, among other factors. Most of the forecasts analysed also highlight a likely worse situation for the Union market.

(44) The OECD, in December 2022 ([30]), noted "*The outlook for global steel markets has deteriorated sharply. (…) Steel consumption is expected to decline by 2.3% in 2022 and to rebound by 1% in 2023. Energy and commodity price increases, inflationary pressure, lower demand from China and political instability have worsened steel demand trends globally*".

(45) The OECD, in February 2023 ([31]), observed "*A fragile and subdued economic recovery has been derailed by higher than anticipated inflation (…). Russia's war of aggression against Ukraine has further contributed to pushing up prices, especially for energy, and is having an unequal impact among jurisdictions, with Europe being hit the hardest. The uncertainty about the outlook is high, and the risks are skewed to the downside due to a potential for inflation to become more entrenched and erode households' purchasing power further, as well as to the risk of an escalation of the war*".

(46) In its Global Steel Outlook for 2023 ([32]), Fitch Ratings noted "*The global steel sector will not fully recover in 2023 from the supply-demand shift in favour of end-markets caused by reduced consumption in second half of 2022. We expect materially lower earnings for steelmakers as the global economic slowdown has ended the period of exceptionally high prices supported by post-pandemic pent-up demand. Prospects for steel companies remain gloomy in Europe due to high and volatile energy costs, the looming recession, waning consumer confidence, and the greater need to re-design supply chains for the steel sector and possibly its end-markets*".

(47) Standard and Poor's Platts also noted the uncertain market outlook and the increased prices of steelmaking materials and energy. ([33])

(48) The World Steel Association, in its Short Range Outlook of October 2022 stated "*Steel demand recovery in developed economies saw a major setback in 2022 due to sustained inflation and lasting supply side bottlenecks. The war in Ukraine has provided further impetus to inflation and supply chain issues. In particular, the EU is facing dire economic conditions with high inflation and the energy crisis. Sentiment is dwindling and industrial activities are cooling sharply toward a decline as high energy*

([28]) *Ibid*

([29]) Regarding the evolution of energy prices and their expected price levels in the Union compared with historical data, see Economist Intelligence Unit: Commodities Outlook 2023, page 3 (available upon subscription); and Trading Economics: https://tradingeconomics.com/commodity/eu-natural-gas. Both sources show that the current energy prices in the Union, while far below the peak reached in 2022, continue to be at a substantially higher level than in previous years.

([30]) OECD, Steel Market developments: Q4 2022 (16 December 2022).

([31]) OECD, Steel Market developments, Q2 2023 (21 February 2023).

([32]) Fitch Ratings: Global Steel Outlook 2023 (12 December 2022): https://www.fitchratings.com/research/corporate-finance/global-steel-outlook-2023-13-12-2022#:~:text=We%20forecast%20global%20steel%20consumption,tonnes%20(mt)%20in%202022.

([33]) S&P Platts Global: Steel Price Forecast and Steel Market Outlook 2023 (available upon subscription).

prices are forcing factory shutdowns." ([34]) In its latest outlook of April 2023, the World Steel Association noted that "*while the EU economy grew by 3.5% in 2022, avoiding recession, industrial activities suffered significantly from high energy costs that led to a sizable contraction in steel demand in 2022. In 2023, the EU steel industry will continue to feel the impact of war, other supply chain-related issues, and continued monetary tightening. In 2024, demand is expected to see a visible rebound as the impact of the Ukraine war and supply chain disruptions are expected to dissipate. However, the outlook is subject to persisting uncertainty*" ([35]).

(49) Therefore, the Commission did not consider that the current outlooks for the Union steel market could justify the termination of the measure by 30 June 2023.

4.1.7. *Product/country specific claims*

(50) Some interested parties made several types of claims that were specific either to a given product category, or to the circumstances of a given country. Some parties sometimes also requested the Commission to perform different kinds of technical adjustments to the measure.

(51) The Commission observed that the scope of the measure, and more specifically of this review investigation, did not cover the specific developments in a particular product category or related to a specific third country as the measure applies *erga omnes* and it covers a product concerned which comprises by twenty-six product categories. Therefore, neither country or product specific exclusion, nor specific adjustments to the functioning of the measure were possible ([36]). Rather, as announced in the Notice of Initiation and as recalled in Section 2 of this Regulation, the scope of this investigation was to assess whether a termination of the measure by 30 June 2023 was justified.

(52) Therefore, the Commission disregarded these claims as they fell outside the scope of the investigation.

4.1.8. *Allegation that trade defence measures other than a safeguard are more appropriate for the steel sector*

(53) Some interested parties argued that other trade defence measures, namely anti-dumping and anti-subsidy instruments, are more appropriate to deal with any import-related problem faced by the Union steel industry, and that their combination with a safeguard measure creates a situation of overprotection for the Union industry. In addition, some parties noted that the Union steel industry is already sufficiently protected by means of numerous anti-dumping and countervailing measures on a wide range of products.

(54) The Commission recalled, as it did in previous review investigations, and in reaction to similar claims ([37]), that the safeguard instrument is compatible with the application of other Trade Defence Instruments such as anti-dumping and anti-subsidy. Furthermore, the Commission recalls that the EU legal framework allows for the imposition of anti-dumping and countervailing measures simultaneously to safeguards ([38]). Therefore, this claim was dismissed.

([34]) World Steel Association: Short Range Outlook, October 2022.

([35]) World Steel Association: Short Range Outlook, April 2023.

([36]) See, in connection to similar claims raised in previous investigations, the Commission's findings in Section 4.5 of the Third functioning review regulation, Section 7.6 of the Prolongation review regulation, recital (123) of the Second functioning review regulation, recital (159) and (163) of the First functioning review regulation.

([37]) See Section 7.10 of the Prolongation Regulation

([38]) Regulation (EU) 2015/477 of the European Parliament and of the Council of 11 March 2015 on measures that the Union may take in relation to the combined effect of anti-dumping or anti-subsidy measures with safeguard measures; OJ L 83, 27.3.2015, p. 11.

4.1.9. *Allegation that findings of WTO Dispute Settlement Body in dispute DS595 require the Commission to terminate the measure*

(55) Some interested parties referred to the Dispute Settlement Body ('DSB') Report of 29 April 2022 ([39]) in the dispute *DS595 European Union – Safeguard measures on certain steel products*, claiming that the Commission should have automatically terminated the measure as it was inconsistent with certain provisions of the WTO Agreement on Safeguards and the General Agreement on Trade and Tariffs ('GATT').

(56) In this respect the Commission referred to the Implementing Regulation (EU) 2023/104 of 13 January 2023 ([40]) whereby it implemented the DSB ruling, thus bringing the steel safeguard measure into conformity with WTO rules in the few aspects where the Panel had identified inconsistencies.

(57) Therefore, the claims pertaining to that dispute are not pertinent in the context of the ongoing review as they were already addressed by means of a separate legal act. In any event, and as it stemmed from the logic behind Regulation (EU) 2023/104, the Commission disagreed with the claims that the findings of the Panel in that dispute would have required it to terminate the measure.

4.1.10. *The import ban on Russia and Belarus introduced due to Russia's unprovoked and unjustified military aggression against Ukraine has a negative impact on the market*

(58) Some interested parties referred to Russia's unprovoked and unjustified military aggression against Ukraine and to the import ban on Russia and Belarus due to Union sanctions against these countries, arguing that generally these events were causing important disruptions on the Union steel market.

(59) The Commission does not dispute that these events have an effect, among many other areas of the economy, on the Union steel market. However, limiting the assessment to the steel safeguard measure, the Commission recalled the redistribution of the country-specific quotas of Russia and Belarus in March 2022.This redistribution sought to minimise the effects of the import ban imposed on steel products originating in both countries, and to ensure that users would continue to be able to access the same volumes from multiple sources.

(60) The Commission also noted that the duration of Russia's unprovoked and unjustified military aggression against Ukraine and its consequences on the steel market, including the import ban on Russia and Belarus, cannot be predicted at this stage.

(61) In this respect, the Commission thus did not consider that these events could justify a termination of the measure by 30 June 2023.

4.1.11. *Allegation that the improved performance of the Union industry requires the termination of the measure*

(62) Some interested parties claimed that the situation of the Union industry had improved to an extent that it would make the safeguard measure unnecessary.

(63) The Commission addressed these claims in the context of its analysis of the situation of the Union industry in Section 4.2.2 below. In particular, the Commission noted that, whilst certain economic factors improved in 2021, the situation of the Union industry deteriorated in 2022, notably in view of the instability of the market due to the Russia's unprovoked and unjustified military aggression against Ukraine as well as a peak in energy prices.

([39]) WT/DS595/R *European Union – Safeguard Measures on Certain Steel Products*, 29 April 2022.

([40]) Commission Implementing Regulation (EU) 2023/104 of 12 January 2023 amending Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure on imports of certain steel products following a report adopted by the World Trade Organization's Dispute Settlement Body; OJ L 12, 13.1.2023, p. 7.

4.1.12. *Allegation that changes in third country TDI measures should lead to the termination of the safeguard*

(64) Some interested parties claimed that some of the TDI measures in place against steel products in different jurisdictions had expired or they had been terminated recently. Accordingly, some parties argued, the Commission should take this development into consideration when assessing the potential termination of the measure by 30 June 2023.

(65) In this regard, the Commission did not contest the claim that certain TDI measures on steel may have expired or been terminated recently. However, the Commission considered that such developments cannot be assessed in isolation. In the investigation the Commission confirmed that a number of new TDI measures had also been imposed recently on a variety of products and origins by several jurisdictions. Therefore, the expiry or termination of certain measures took place in a period where other new TDI measures were introduced ([41]). The Commission noted that it has not received any substantial analysis or evidence that would render invalid its previous findings ([42]) regarding the detailed scope of TDI measures in third countries.

(66) Therefore, the Commission considered that the claims received by interested parties did not put into question its findings in previous investigations on this matter, ([43]) and as such, did not support a termination of the measure by 30 June 2023.

4.2. **Analysis of questionnaire replies**

4.2.1. *Questionnaire replies from Union users*

(67) To establish a balanced and comprehensive picture of the market situation, the Commission sought proactively input from users and their associations. To this end, the Commission sent specific questionnaires to 154 Union steel users and 19 user associations that had participated in previous reviews of the measure and were thus registered in the case file. Other users and associations also had the possibility to respond to these questionnaires which were available on the European Commission's (DG TRADE) website.

(68) Despite the specific proactive outreach, the Commission received responses from only around 30 users, including some Union users' associations such as automotive, home appliance, processors of Wire Rod, and Cold Rolled, Galvanized and Coated Coil Manufacturers, in addition to several individual users across different steel-using sectors. The main complaints of users have been summarised and rebutted in Section 4.1.

(69) Regarding the analysis of the information supplied in the questionnaires, the Commission, as a first remark, noted that, despite the proactive reach out, including to industry associations, it received a rather low number of questionnaire replies received from the user side (around 30 replies from over 160 known users).

(70) In any event, the Commission also analysed the users' questionnaire replies in light of other key parameters, notably the TRQ use and the market outlook. As can be seen from the respective analyses on these topics (see e.g. Section 4.1.1), users are benefitting from an ever-increasing level of duty-free TRQs (+20% increase of TRQ volumes since 2019) which remain consistently unused across product categories. Furthermore, as of 1 July 2023 the TRQs will be further increased by 4% (in compliance with WTO obligations to liberalize the measure progressively), thus benefitting those users who want to increase further their volume of imports from specific origins.

(71) In this regard, users have not provided any evidence that the volume of TRQs (including the increased volumes due to liberalisation that will be added to the TRQs as of 1 July 2023) together with the availability of Union-produced steel would not be adequate to fulfil their needs in light of existing and forecasted demand.

([41]) See OECD - Steel trade and trade policy developments - 2021-22 (16.12.22), Table B.1, p.47.
([42]) See Section 1.1.2. of Commission Implementing Regulation (EU) 2023/104.
([43]) See recitals (47) and (48) of the Prolongation Regulation.

4.2.2. *Questionnaire replies from Union producers*

(72) In the investigation the Commission also sought to assess the evolution of the economic situation of the Union steel producers through questionnaires. The Commission received questionnaire replies from the three main Union steel producer associations (EUROFER, ESTA and CTA) ([44]) in addition to a few additional individual replies from Union producers. The period for which data was provided comprised the years 2021 and 2022.

(73) Some interested parties claimed that the economic situation of the Union industry had improved, notably in the year 2021, recording high levels of profitability in a context of very high steel prices, and that the situation would have continued into the year 2022. In view of such alleged improved performance, some parties argued that the safeguard measure would no longer be necessary and, therefore, it should be terminated by 30 June 2023.

(74) The questionnaire replies from Union producers showed that the Union industry experienced an overall positive situation in 2021, driven notably by the post-COVID rebound in demand and abnormally high steel prices. The situation continued to be overall very positive in early 2022.

(75) However, throughout the rest of 2022 the economic performance of the Union industry deteriorated rapidly. This was due to several factors. In particular, the breakout of Russia's unprovoked and unjustified military aggression against Ukraine lead to disruptions in several sectors, also affecting the steel market. Moreover, a spike in energy prices led to higher costs of production for steelmakers, but in a context of slowing down in demand where steel prices decreased to face an import pressure which remained at high levels in several important product categories.

(76) The evolution of injury indicators showed that Union steel consumption in 2022 (166.1 million tonnes) decreased by more than 20 million tonnes (-11.4%) when compared to 2021 (187.4 million tonnes).

(77) For its part, production of the Union industry decreased by 10.8% from 2021 (167.7 million tonnes) to 2022 (149.6 million tonnes). The level of production went down in particular in the second half of 2022 compared to the first half of 2022 (-20.8%).

(78) Moreover, production capacity utilisation was at 76% in 2021 and it remained almost the same (75%) in the Q1 (January-March) of 2022. However, as of Q2 (April-June) 2022 it started to decrease, reaching a very low figure of 58% in Q4 (October-December) 2022. Overall, production capacity utilisation decreased by 10 percentage points from 2021 to 2022, standing at 65.6%.

(79) Furthermore, the volume of sales of Union producers in the Union market followed a decreasing trend from 2021 continuously until the last quarter (October-December) of 2022. The volume of sales decreased year-on-year by 6.4% from 68.4 million tonnes in 2021 to 64.1 million tonnes. In relative terms, the Union producers' market share dropped from 81,9% in 2021 to 81,3% in 2022.

(80) Lastly, profitability of those sales was at 9% in 2021 and it kept increasing until 14.2% in Q2 (April-June) of 2022. However, this positive trend reversed as of Q3 (July-September) 2022, dropping to 3.9% and subsequently reaching a loss-making situation of -0.2% in Q4 (October-December) of 2022. In 2022, overall the Union industry made less than 1% profit.

(81) Consequently, the situation of the Union industry worsened towards the end of the period considered, in particular due to some factors which took place in 2022, together with the remaining import pressure, which led the Union industry to lower its prices, and reduce its market share to remain breakeven.

([44]) The questionnaire replies from these associations also included the individual questionnaire replies of their members participating in the proceeding. Both sets of data were available in the case file (TRON).

4.3. **Forward looking analysis**

(82) Having assessed the comments from interested parties and having described the questionnaire replies from users and producers, including the evolution of the Union producers' economic indicators, the Commission complemented this analysis with a forward-looking assessment of the likely developments of some elements, should the measure be terminated by 30 June 2023. In particular, the Commission examined whether an increase in the volume of imports could be expected, should the measure be terminated before as originally expected.

(83) In the first place, the Commission assessed whether, as it had found in previous review investigations, the Union market continued to be attractive. The information assessed by the Commission showed that the Union continued to be the largest steel importing market worldwide. In fact, its share over total world imports in 2022 increased by more than three percentage points when compared to the year 2021 ([45]). This demonstrated that not only in overall terms the Union market continued to be the largest importing market but also that its leading position strengthened further in 2022.

(84) The Commission then assessed the attractiveness of the Union market in terms of prices. The assessment showed that in terms of price levels, import prices into the Union from its main supplying countries were consistently higher than their export prices to other third markets for a large majority of their steel exports (in 50% to 81% of the total customs codes subject to the measure the export values to the Union were higher than to other third markets; on average, 69% of the customs codes concerned were sold at a higher price in the Union than on other third markets) ([46]). Furthermore, the assessment revealed that the Union market constituted an important relevant exporting market for these countries ([47]). The main steel supplying countries to the Union were those predominantly exhausting TRQs.

(85) Therefore, the Commission concluded that the Union market continued to be attractive for exporting countries both in terms of volume and prices.

(86) Then, the Commission noted that the volume of imports into the Union remained at high levels when compared to historical figures (last decade). The share of imports was also high when compared to previous levels, and close to the peak reached in 2018 prior to the imposition of a definitive safeguard measure ([48]). Furthermore, when compared to the consumption in the Union market in the period 2021-2022, which decreased by -11% (-21.3 million tonnes), imports went down by -8% (from 33.8 million tonnes to 31.1 million tonnes), while domestic sales also went down but at a higher pace, -12%. Therefore, the market share of imports increased despite a double-digit decrease in consumption in the Union market. The Commission therefore concluded that the level of import penetration in the Union market continued to be at high levels and that it even increased in 2022 when compared to 2021 despite a reduction in consumption.

(87) The Commission also confirmed that, as noted in recitals (39) and (40), the situation in 2022 regarding global overcapacity in the steel sector continued to follow the same upwards trend. Therefore, and also in the absence of any evidence from interested parties that would demonstrate the contrary, the Commission concluded that its previous findings with regards to the effects of overcapacity on the market and performance of steel producers remain valid.

([45]) See OECD Steel Market Developments, Q4 (December 2022), p. 22, table 4. Available at: https://www.oecd.org/industry/ind/steel-market-developments-Q4-2022.pdf

([46]) Source of raw data: Global Trade Atlas 'GTA'. https://www.gtis.com/gta/. Figures pertaining to the year 2022, for exports from the main steel exporting countries to the Union, namely China, India, South Korea, Taiwan, Türkiye (their combined exports of steel to the Union in 2022 represented 52% of total imports). Figures from Russia, formerly the second largest steel exporting country to the Union, have not been considered since its steel exports to certain jurisdictions, including the Union market, are currently banned as a result of sanctions imposed because of its unprovoked and unjustified military aggression against Ukraine.

([47]) For most of these origins the Union market represented a double-digit share of its total exports, reaching up to 27%.

([48]) Imports into the Union went down by -9% in 2022 when compared to the peak reached in 2018, representing a reduction of – 3,2 million tonnes.

(88) Likewise, the Commission concluded that in overall terms, exporting countries had not been able to find other outlets to compensate for the trade volumes lost in the US and Union market since 2018. In fact, their total exports to other markets were generally lower than they were in 2018.

(89) In light of the above, the Commission concluded that imports into the Union would increase if the safeguard measure was terminated by 30 June 2023. Indeed, the evolution of imports, TRQ used and imports' market share in the recent period considered confirmed the attractiveness of the Union market and the willingness of the largest steel exporters to obtain better access to the Union market, especially on some product categories.

4.4. **Conclusion**

(90) Based on a careful analysis of the submissions and rebuttals received from interested parties requesting the termination of the safeguard measure by 30 June 2023 (Section 4.1) as well as of the questionnaire replies (Section 4.2), as well as the conclusion reached in its forward-looking assessment (Section 4.3) the Commission concluded that on the basis of the current circumstances and information available the termination of the measure by 30 June 2023 is not justified. Should the measure be terminated at this stage, the likely increased in the volume of imports could undermine the situation of the Union industry. As a result of this conclusion, and since the measure is set to continue in place until 30 June 2024, the Commission then assessed, as foreseen by the Notice of Initiation, the list of developing countries which should be subject to and excluded from the measure based on updated import data (Section 5). It also assessed whether the current level of liberalisation of 4% remained appropriate (Section 6).

5. **UPDATE OF THE LIST OF DEVELOPING COUNTRIES SUBJECT TO THE MEASURE**

(91) Any developing country member of the WTO was excluded from the application of the definitive measure for as long as its share of imports into the EU remains below 3% of the total imports for each product category. Also, if in a given category the collective share of imports from developing countries (whose individual share is below 3%) exceeds 9%, then all developing countries will be subject to the measure in that product category. ([49]) The Commission committed to monitor the development of imports after the adoption of the measure and to review the list of excluded countries on a regular basis.

(92) The last update took place in the framework of the latest functioning review investigation of June 2022, and it was based on import data from 2021. Thus, to adapt the list of developing countries subject to, and excluded from, the measure the Commission updated the calculations based on the most recently available consolidated import data, i.e., year 2022 import statistics. ([50])

(93) The changes resulting from this update are the following (the updated table is available in the Annex to this Regulation).

— All developing countries are included in categories 4B, 5, 25B and 28 because the sum of all import shares in 2022 that were below 3% is higher than 9% ([51]);

— Brazil is included in categories 1and 2, and excluded in category 6;

— China is included in categories 7 and 25A;

— Egypt is included in categories 13 and16;

— India is included in categories 3B, 12, 16 and 17;

— Indonesia is included in category 16;

— Malaysia is included in categories 9 and 16;

([49]) In line with Article 18 of the Regulation (EU) 2015/478 and Article 9.1 of the WTO Agreement on Safeguards.

([50]) Source: Eurostat

([51]) Until this review investigation, all developing countries members of the WTO were subject to the measure in category 24 as the 9% was exceeded. Since such threshold is no longer met in 2022, then only those developing countries members of the WTO exceeding the 3% threshold will be subject to the measure.

— Moldova is excluded in category 12;

— North Macedonia is included in category 26;

— Oman is included in category 13;

— South Africa is included in category 4A;

— Türkiye is included in categories 3A and 25A;

— United Arab Emirates are excluded in category 16;

— Viet Nam is included in category 26, and excluded in category 3A.

(94) Regarding this adjustment, some interested parties claimed that the Commission, in updating its list of developing countries, should not automatically include those developing countries currently excluded from the measure, and whose imports would have compensated for the volumes formerly imported from Russia and Belarus before the import ban. These parties argued that the methodology used by the Commission of calculating the share of imports on the basis of the thresholds set by the EU basic safeguard regulation would not be appropriate in light of the exceptional political situation arising from Russia's unprovoked and unjustified military aggression against Ukraine. In other words, these parties requested that the Commission changed the denominator used to calculate the import share of developing countries by removing certain origins in some product categories.

(95) The Commission noted that the rules regarding developing country exclusions are set out in Article 9.1 of the WTO Agreement on Safeguards and Article 18 of the EU basic safeguard regulation. Therefore, in the Commission's reading of these provisions there is no room for an exclusion of certain imports from the calculation.

(96) In fact, and irrespective of the specific reasons alleged, the Commission was of the view that if an investigating authority was allowed to pick and choose what imports it included for the relevant calculation of thresholds under these provisions, that would inevitably risk leading to potentially discriminatory treatment among interested parties.

(97) Therefore, the Commission could not accept the interpretation of the relevant provisions for calculating the thresholds for developing country exclusions made by some interested parties.

6. **LEVEL OF LIBERALISATION**

(98) The current liberalisation rate of the safeguard was set at an annual rate of 4% ([52]). The Commission assessed in this investigation whether this level of liberalisation continued to be appropriate.

(99) Some interested parties requested that the level of liberalisation be increased to e.g. 5%. On the other hand, other interested parties rejected the requests for a further increase of the liberalisation rate as unjustified.

(100) In view of the recent negative trends in the Union steel market, the uncertainty surrounding the economic forecasts for the near future in particular for the Union, and the fact that there were TRQs generally available throughout the period across product categories, the Commission considered that an increase in the level of liberalisation beyond its current rate was not justified.

(101) Therefore, the TRQs will continue to increase by 4% as of 1 July 2023 for all product categories. The specific volumes for the period 1 July 2023 – 30 June 2024 (on a quarterly basis) are set out in Annex II of the Third Review Regulation.

(102) Finally, the present review amending the safeguard measure also complies with the obligations arising from the bilateral Agreements signed with certain third countries.

([52]) See recital (42) of Third functioning review regulation.

(103) 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

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

Annex III.2 in Annex III is replaced by Annex I to this Regulation.

Parts of the table concerning product number 9 in Part IV.1 and in IV.2 of Annex IV is replaced by tables in Annex II to this Regulation.

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*. It shall apply as of 1 July 2023.

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

Done at Brussels, 26 June 2023.

For the Commission

The President

Ursula VON DER LEYEN

ANNEX I

“ANNEX III.2

List of product categories originating in developing countries to which the definitive measures apply

Country / Product group	1	2	3A	3B	4A	4B	5	6	7	8	9	10	12	13	14	15	16	17	18	19	20	21	22	24	25A	25B	26	27	28
Argentina						X	X																	X		X			X
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	X	X	X	X	X	X	X
Egypt	X					X	X							X			X									X			X
India	X	X		X	X	X	X	X	X	X	X	X	X		X	X	X	X			X		X	X		X	X		X
Indonesia						X	X		X	X	X						X									X			X
Kazakhstan						X	X													X						X			X
Malaysia						X	X				X						X									X			X
Mexico						X	X																	X		X			X
Moldova						X	X							X			X									X			X
North Macedonia						X	X		X				X								X	X				X	X		X
Oman						X	X							X												X			X
South Africa					X	X	X			X	X	X														X			X
Türkiye	X	X	X		X	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		X			X		X			X
Vietnam	X			X	X	X	X				X															X	X		X
All other developing countries						X	X																			X			X”

ANNEX II

“ANNEX IV

IV.1 – **Volumes of tariff–rate quotas**

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	Year 6				Addi-tional duty rate	Order numbers
				From 1.7.2023 to 30.9.2023	From 1.10.2023 to 31.12.2023	From 1.1.2024 to 31.3.2024	From 1.4.2024 to 30.6.2024		
				Volume of tariff quota (net tonnes)					
9	Stainless Cold Rolled Sheets and Strips	7219 31 00, 7219 32 10, 7219 32 90, 7219 33 10, 7219 33 90, 7219 34 10, 7219 34 90, 7219 35 10, 7219 35 90, 7219 90 20, 7219 90 80, 7220 20 21, 7220 20 29, 7220 20 41, 7220 20 49, 7220 20 81, 7220 20 89, 7220 90 20, 7220 90 80	Korea, Republic of	49 549,16	49 549,16	49 010,58	49 010,58	25%	09.8846
			Taiwan	45 948,59	45 948,59	45 449,15	45 449,15	25%	09.8847
			India	30 710,50	30 710,50	30 376,69	30 376,69	25%	09.8848
			South Africa	26 723,10	26 723,10	26 432,63	26 432,63	25%	09.8853
			United States	24 986,11	24 986,11	24 714,52	24 714,52	25%	09.8849
			Türkiye	20 791,56	20 791,56	20 565,57	20 565,57	25%	09.8850
			Malaysia	13 172,38	13 172,38	13 029,20	13 029,20	25%	09.8851
			Other countries	52 837,87	52 837,87	52 263,55	52 263,55	25%	(1)

(1) From 1.7 to 31.3: 09.8621
From 1.4 to 30.6: 09.8622
From 1.4 to 30.6: For Korea (Republic of)*, Taiwan*, India*, South Africa*, United States of America*, Türkiye* and Malaysia*: 09.8578 *In case of exhaustion of their specific quotas in accordance with Article 1.5

IV.2 – **Volumes of global and residual tariff–rate quotas per trimester**

Product Number	Allocation by country (Where Applicable)	Year 3			
		From 1.7.2023 to 30.9.2023	From 1.10.2023 to 31.12.2023	From 1.1.2024 to 31.3.2024	From 1.4.2024 to 30.6.2024
		Volume of tariff quota (net tonnes)	Volume of tariff quota (net tonnes)	Volume of tariff quota (net tonnes)	Volume of tariff quota (net tonnes)
9	Other countries	52 837,87	52 837,87	52 263,55	52 263,55”