



2024/1782

25.6.2024

COMMISSION IMPLEMENTING REGULATION (EU) 2024/1782

of 24 June 2024

amending Implementing Regulation (EU) 2019/159, including the prolongation of the 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, 19 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 Article 16 thereof,

Whereas:

1. BACKGROUND

- (1) By Commission Implementing Regulation (EU) 2019/159 ⁽³⁾ ('the Definitive Safeguard Regulation'), the European Commission ('the 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') covering 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 are exceeded. The safeguard measure was imposed for an initial period of three years, until 30 June 2021.
- (2) By Commission Implementing Regulation (EU) 2021/1029 ⁽⁴⁾ ('the First Prolongation Review Regulation'), the Commission concluded that the measure continued to be necessary to prevent or remedy serious injury, and that the Union industry was adjusting. It also concluded that the prolongation of measure was in the interest of the Union. Accordingly, it decided to prolong the safeguard measure until 30 June 2024.
- (3) In recital (161) of the Definitive Safeguard Regulation, the Commission committed to "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". In this spirit, the Commission conducted three functioning review investigations in 2019 ⁽⁵⁾, 2020 ⁽⁶⁾ and 2022 ⁽⁷⁾ respectively. In June 2023 ⁽⁸⁾ it also assessed, in a review investigation, whether an early termination of the measure was warranted ⁽⁹⁾.

⁽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 for 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.

⁽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/1, 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 ('First Functioning Review Regulation').

⁽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 ('Second Functioning Review Regulation').

⁽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 ('Third Functioning Review Regulation').

⁽⁸⁾ 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; OJ L 161, 27.6.2023, p.44 ('2023 Review Regulation').

⁽⁹⁾ For a full list of the different adjustments to the measure, including among others, the adjustment of TRQs following Brexit, and following the sanctions on Belarus and Russia, see DG TRADE's website: <https://tron.trade.ec.europa.eu/investigations/search>

- (4) On 12 January 2024, the Commission received a substantiated request by fourteen EU Member States to examine, pursuant to Article 19 of Regulation (EU) 2015/478 of the European Parliament and of the Council ⁽¹⁰⁾ ('EU Basic Safeguard Regulation') and Article 16 of Regulation (EU) 2015/755, whether the existing safeguard measure should be prolonged. The Commission considered that the request contained sufficient evidence to initiate a prolongation review investigation.
- (5) Accordingly, it published a Notice of Initiation ⁽¹¹⁾ in the Official Journal of the European Union on 9 February 2024 concerning the possible extension of the safeguard measure. The Commission also included in the scope of the Notice a commitment to assess whether any technical adjustment to the functioning of the measure would be necessary in case it concluded that the safeguard measure should be prolonged.

2. PROCEDURE

- (6) In order to carry out a proper assessment as to whether the safeguard measure continues to be necessary to prevent or remedy serious injury, whether the Union steel industry is adjusting, and whether such prolongation is in line with the wider Union interest, the Commission collected specific data from the Union industry by means of questionnaires ⁽¹²⁾. These data included, inter alia, the evolution of key economic and financial indicators for the product concerned during the period 2021-2023 ('the period considered'), as well as evidence that the Union industry is adjusting.
- (7) The Commission also sought and collected the views of interested parties on a potential prolongation and on any potential necessary adjustments to the functioning of the measure, therefore conducting two different investigations in parallel. To this end, the Notice of Initiation invited interested parties to participate in the investigation by submitting in writing their observations and supporting evidence and also requested known Union producers of the product concerned and their associations to fill in injury questionnaires. Concerning the functioning review, the Commission requested interested parties to make their views known and to submit specific evidence in writing on the following issues:
 - (a) Allocation and management of tariff-rate quotas;
 - (b) Crowding out of traditional trade flows;
 - (c) Update of the list of World Trade Organisation ('WTO') developing country Members excluded from the scope of the measure based on their most recent level of imports;
 - (d) Level of liberalisation;
 - (e) Other changes of circumstances that may require an adjustment to the level or allocation of the tariff-rate quota.
- (8) In terms of due process, the prolongation and functioning review investigation comprised a two-stage written procedure, under which interested parties, first, submitted their comments and, subsequently, were given the possibility to rebut the other parties' submissions. Overall, the Commission received over 65 submissions and rebuttals from interested parties within the established deadlines. It also received more than 100 individual questionnaire replies from Union producers.
- (9) In assessing whether the conditions to prolong the safeguard measure were met, the Commission analysed in the first place, whether the legal requirements to prolong a safeguard measure under EU and WTO rules, namely whether the measure is necessary to prevent serious injury (Section 3.2) and whether the Union industry is adjusting (Section 3.3), were satisfied. Second, it assessed whether such prolongation would be in line with the overall interest of the Union (Section 3.4). Finally, in its assessment, the Commission took due account of the observations and evidence received from interested parties, as well as any other available information in relation to the above elements. The Commission specifically addressed the relevant claims made by interested parties relative to prolongation in Section 4.

⁽¹⁰⁾ Regulation (EU) 2015/478 of the European Parliament and of the Council of 11 March 2015 on common rules for imports (OJ L83 of 27.3.2015).

⁽¹¹⁾ Notice of initiation concerning the possible extension in time and review of the safeguard measures applicable to imports of certain steel products, OJ C, C/2024/1460, 9.2.2024, ELI: <http://data.europa.eu/eli/notice/C/2024/1460/oj>.

⁽¹²⁾ The open versions of questionnaire replies are available for inspection of interested parties in the open file of the investigation: <https://tron.trade.ec.europa.eu/tron/TDI> (accessible to registered interested parties).

- (10) Subsequently, the Commission assessed the need to make certain technical adjustments to the measure. This exercise followed the areas set out in the Notice of Initiation (see recital (7)), and also included a technical amendment which brings imports from Mozambique within the scope of the safeguard measure.

3. PROLONGATION ASSESSMENT

3.1. Legal requirements

- (11) According to Article 7.1 of the WTO Agreement on Safeguards and Article 19(2) of the EU Basic Safeguard Regulation the period of application of a safeguard measure may be extended provided that the safeguard measure continues to be necessary to prevent or remedy serious injury ('necessity test') and that there is evidence that the industry is adjusting. In addition, Article 22 of the EU Basic Safeguard Regulation determines that measure has to be in the interest of the Union.

3.2. Whether the safeguard measure continues to be necessary to prevent or remedy serious injury (Necessity Test)

- (12) With regard to the first legal criterion, the Commission first examined the economic situation of the Union industry based on the questionnaire replies received (Section 3.2.1). Subsequently, the Commission assessed several key factors in order to determine how imports would likely evolve and how such evolution would affect Union producers in the absence of a safeguard ('counterfactual analysis', see Section 3.2.2.).

3.2.1. Economic situation of the Union steel industry

- (13) In order to assess the economic situation of the Union steel industry, the Commission issued questionnaires to the known Union steel producers to collect information on injury indicators for the product concerned during the period considered. The Commission requested the known Union industry associations (EUROFER - European Steel Association, ESTA – European Steel Tube Association and CET-Comité Européen de la Tréfilerie) to distribute the questionnaires among their individual members. In addition, the Commission notified the known Union producers of the request to fill in questionnaires through the open file system (TRON).⁽¹³⁾ The questionnaires were also made available on the website of the European Commission's Directorate-General for Trade.⁽¹⁴⁾ All the relevant instructions regarding questionnaires were also included in the Notice of Initiation.
- (14) The Commission received more than 100 individual questionnaire replies from members of the three known Union industry associations as well as from other Union producers not members of any association. In addition, the three industry associations consolidated the data provided individually by their members.
- (15) The Commission consolidated the data directly received from Union producers individually and crosschecked its accuracy with the dataset submitted by the Union industry associations in dedicated remote crosscheck sessions. The Commission then merged the association members' replies with the replies received from producers not members of an association into a single consolidated dataset, which constituted the basis for the assessment of the economic situation of the Union industry.

⁽¹³⁾ <https://tron.trade.ec.europa.eu/tron/TDI> (accessible only by registered interested parties).

⁽¹⁴⁾ Available at DG TRADE's dedicated website to the investigation: <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2519> (publicly accessible).

(16) The evolution of the injury indicators during the period considered is shown in Tables 1 to 4 below:

(a) *Production, production capacity, capacity utilisation, stocks*

Table 1

Production, production capacity, capacity utilisation, stocks

in 1 000 tonnes	2021	2022	2023
Production volume of the product concerned	178 257	158 704	154 158
<i>index 2021 = 100</i>	100	89	86
Production capacity for the product concerned	231 509	229 881	230 139
<i>index 2021 = 100</i>	100	99	99
Capacity utilisation	77,00 %	69,04 %	66,98 %
Stocks	32 082 625	30 434 986	31 214 413
<i>index 2021 = 100</i>	100	95	97

Source: Industry data and questionnaire replies.

(17) Over the period considered, the production volume of Union producers steadily decreased by -11 % in 2022 and by -14 % in 2023, when compared to 2021. Production capacity remained stable throughout the period and, thus, capacity utilisation followed a declining trend, reaching a very low level of 67 % in 2023. Lastly, stocks went down by -5 % in 2022 and by -3 % in 2023 as compared to the year 2021.

(b) *Union consumption, domestic sales and market share*⁽¹⁵⁾

Table 2

The Union consumption, domestic sales and market share

	2021	2022	2023
Consumption in 1 000 tonnes	161 072	148 065	139 207
<i>index 2021 = 100</i>	100	92	86
Domestic sales in 1 000 tonnes	127 188	116 462	111 165
<i>index 2021 = 100</i>	100	92	87
Market share in %	79,0 %	78,7 %	79,9 %

Source: Industry data and questionnaire replies.

⁽¹⁵⁾ Given that the questionnaire replies do not include every steel producer in the Union, market share of the Union industry has been calculated based on the consumption data, import data and data from questionnaire replies.

- (18) Consumption in the Union market started decreasing in 2022 (-8 %), and this trend continued in 2023 (-14 %) when compared to the year 2021. The evolution of domestic sales volume by Union producers followed a very similar trend during the period considered (-8 % in 2022 and -13 % in 2023 respectively when compared to 2021). During the period considered, the Union industry increased its market share by 0,9 percentage points.

- (c) *Unit sales price, profitability, cash flow and return on capital employed*

Table 3

Unit sales price, profitability, cash flow and return on capital employed

	2021	2022	2023
Unit sales price (EUR/tonne)	914	1 230	1 028
<i>index 2021 = 100</i>	100	135	113
Profitability (% turnover)	9,4 %	10,3 %	0,3 %
Cash flow (million EUR)	5 024	10 696	7 881
<i>index 2021 = 100</i>	100	213	157
Return on capital employed (%)	25,2 %	22,5 %	- 2,2 %

Source: Industry data and questionnaire replies.

- (19) Unit sales price increased by 35 % in 2022 and by 13 % in 2023 when compared to 2021. Cash flow increased by 113 % in 2022 and 57 % in 2023 when compared to the year 2021. Return on capital employed decreased slightly in 2022 and reached negative figures in 2023 (- 2,2 %).

- (20) The increase in prices and post-COVID recovery drive turned the Union industry into profit-making in 2021 (9.4 %) with profits slightly increasing in 2022 (10.3 %). In 2023 profitability sharply declined, reaching only a 0.3 % profit.

- (d) *Employment*

Table 4

Employment

(FTE)	2021	2022	2023
Employment	180 958	181 913	179 867
<i>index 2021 = 100</i>	100	101	99

Source: Industry data and questionnaire replies.

- (21) Employment remained stable throughout the period considered, with a -1 % decline in 2023 when compared to 2021.

Conclusion

- (22) Injury indicators showed that in 2021 the Union industry reached healthy levels of profitability, largely driven by high prices and a strong recovery in demand after COVID-19. However, as from the second half of 2022, the Union industry started to show signs of deterioration. Some important indicators such as production, sales and capacity utilisation showed a negative trend⁽¹⁶⁾, and energy costs increased significantly⁽¹⁷⁾. The deterioration of most economic indicators became more acute in 2023, with a decline in prices in a context of energy costs higher than past average levels, and a sharp decline in domestic sales and production in the Union market. As a result, the capacity utilisation reached the lowest level in the last decade and profitability went down drastically (reaching break-even level). Whilst the Union industry gained almost one percentage point of market share in 2023 when compared to 2021 at the expense of reducing profitability, this development should be seen in the context of persistent high import pressure⁽¹⁸⁾, with imports reaching a higher market share during the period considered than those of previous periods⁽¹⁹⁾, as it will be explained in Section 3.2.2. below.
- (23) Based on the above indicators (Tables 1 to 4), the Commission concluded that the state of the Union industry had deteriorated between 2021 and 2023 and that it was in a fragile situation at the end of the period considered.

Additional analysis per product family

- (24) Following the approach of the original investigation,⁽²⁰⁾ the Commission also assessed the evolution of injury indicators per product family.⁽²¹⁾ The product families covered by the steel safeguard are flat products, long products and tubes.
- (25) Tables 5 to 8 below show the evolution of the injury indicators per product family:

*Table 5***Production, production capacity, capacity utilisation, stocks**

in 1 000 tonnes	2021	2022	2023
Production volume of the product concerned (flat)	133 919	118 680	117 230
<i>index 2021 = 100</i>	100	89	88
Production volume of the product concerned (long)	38 061	33 729	30 848
<i>index 2021 = 100</i>	100	89	81
Production volume of the product concerned (tubes)	6 277	6 295	6 080
<i>index 2021 = 100</i>	100	100	97
Production capacity for the product concerned (flat)	168 949	167 811	168 540
<i>index 2021 = 100</i>	100	99	100
Production capacity for the product concerned (long)	50 958	50 622	50 219

⁽¹⁶⁾ For comparison of the evolution of indicators prior to 2021, see First Prolongation Review Regulation, Tables 1-4.

⁽¹⁷⁾ See CRU database for the evolution of energy prices in the Union and a comparison of energy costs of Union steel producers and producers in other markets (available upon subscription).

⁽¹⁸⁾ See Section 3.2.2. (a) and (b)

⁽¹⁹⁾ Including the levels prior to the imposition of a safeguard measure and those of the first years of the application of the measure assessed in the First Prolongation Review Regulation.

⁽²⁰⁾ Definitive Safeguard Regulation, recital (47).

⁽²¹⁾ For a full description of the product families, see recital (21) of the Definitive Safeguard Regulation.

in 1 000 tonnes	2021	2022	2023
<i>index 2021 = 100</i>	100	99	99
Production capacity for the product concerned (tubes)	11 602	11 449	11 380
<i>index 2021 = 100</i>	100	99	98
Capacity utilisation (flat)	79,27 %	70,72 %	69,56 %
Capacity utilisation (long)	74,69 %	66,63 %	61,43 %
Capacity utilisation (tubes)	54,10 %	54,99 %	53,43 %
Stocks (flat)	25 377	22 941	24 042
<i>index 2021 = 100</i>	100	90	95
Stocks (long)	3 349	3 468	3 274
<i>index 2021 = 100</i>	100	104	98
Stocks (tubes)	3 357	4 026	3 899
<i>index 2021 = 100</i>	100	120	116

Source: Industry data and questionnaire replies.

Table 6

The Union consumption, domestic sales and market share

	2021	2022	2023
Consumption in 1 000 tonnes (flat)	92 700	84 749	81 344
<i>index 2021 = 100</i>	100	91	88
Consumption in 1 000 tonnes (long)	57 398	53 223	48 072
<i>index 2021 = 100</i>	100	93	84
Consumption in 1 000 tonnes (tubes)	10 973	10 093	9 790
<i>index 2021 = 100</i>	100	92	89
Domestic sales in 1 000 tonnes (flat)	68 864	63 050	61 409
<i>index 2021 = 100</i>	100	92	89
Domestic sales in 1 000 tonnes (long)	50 011	45 512	42 139
<i>index 2021 = 100</i>	100	91	84
Domestic sales in 1 000 tonnes (tubes)	8 312	7 900	7 617
<i>index 2021 = 100</i>	100	95	92
Market share in % (flat)	74,3 %	74,4 %	75,5 %
Market share in % (long)	87,1 %	85,5 %	87,7 %
Market share in % (tubes)	75,8 %	78,3 %	77,8 %

Source: Industry data and questionnaire replies.

Table 7

Unit sales price, profitability, cash flow and return on capital employed

	2021	2022	2023
Unit sales price (EUR/tonne) (flat)	971	1 309	1 104
<i>index 2021 = 100</i>	100	135	114
Unit sales price (EUR/tonne) (long)	759	1 016	804
<i>index 2021 = 100</i>	100	134	106
Unit sales price (EUR/tonne) (tubes)	1 177	1 581	1 382
<i>index 2021 = 100</i>	100	134	117
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Profitability (% turnover) (flat)	10,6 %	11,0 %	0,1 %
Profitability (% turnover) (long)	7,6 %	9,6 %	- 1,0 %
Profitability (% turnover) (tubes)	5,1 %	7,3 %	5,6 %
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Cash flow (million EUR) (flat)	3 434	6 326	5 999
<i>index 2021 = 100</i>	100	184	175
Cash flow (million EUR) (long)	1 439	3 509	682
<i>index 2021 = 100</i>	100	244	47
Cash flow (million EUR) (tubes)	151	861	1 200
<i>index 2021 = 100</i>	100	571	795
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Return on capital employed (%) (flat)	29,04 %	26,64 %	- 3,24 %
Return on capital employed (%) (long)	16,95 %	18,31 %	- 3,15 %
Return on capital employed (%) (tubes)	29,31 %	11,00 %	7,81 %
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<i>Source: Industry data and questionnaire replies.</i>			

Table 8

Employment

(FTE)	2021	2022	2023
Employment (flat)	114 657	114 444	114 053
<i>index 2021 = 100</i>	100	100	99
Employment (long)	40 053	39 870	39 485
<i>index 2021 = 100</i>	100	100	99
Employment (tubes)	26 248	27 599	26 329
<i>index 2021 = 100</i>	100	105	100
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<i>Source: Industry data and questionnaire replies.</i>			

- (26) Based on the above indicators, the analysis per product family, corroborates the findings for the product concerned: the Union industry's economic situation significantly worsened over the period considered and it is currently in a fragile situation. Even for the product family that showed a better performance as regards to profitability and market share developments (tubes), it nevertheless saw a deterioration of other key indicators such as capacity utilisation, levels of production and domestic sales over the period considered.

3.2.2. Counterfactual analysis

(a) Import pressure - Evolution of imports and market share

- (27) The Commission assessed the evolution of imports, both in overall terms and relative to consumption, to determine the extent of pressure they may have exerted on the Union market in the period considered. In addition, the Commission assessed the evolution of TRQs used (See Section 3.2.2(b)).
- (28) Imports into the Union in 2023 decreased by -17 % as compared to 2021, when they had reached the second highest level since 2013 ⁽²²⁾.

Table 9

Evolution of imports

	2021	2022	2023
Volume of imports 1 000 tonnes	33 884	31 603	28 042
<i>index 2021 = 100</i>	100	93	83

Source: EUROSTAT.

- (29) The analysis at the level of product family confirmed this overall trend as shown in Table 10 below.

Table 10

Market share of imports per product family

	2021	2022	2023
Consumption in 1 000 tonnes (flat)	92 700	84 749	81 344
<i>index 2021 = 100</i>	100	91	88
Consumption in 1 000 tonnes (long)	57 398	53 223	48 072
<i>index 2021 = 100</i>	100	93	84
Consumption in 1 000 tonnes (tubes)	10 973	10 093	9 790
<i>index 2021 = 100</i>	100	92	89

⁽²²⁾ For a broader picture on import evolution in previous years, see Table 2 of the Definitive Safeguard Regulation and Table 9 of the First Prolongation Review Regulation.

	2021	2022	2023
Imports in 1 000 tonnes (flat)	23 835	21 699	19 935
<i>index 2021 = 100</i>	100	91	84
Imports in 1 000 tonnes (long)	7 387	7 711	5 933
<i>index 2021 = 100</i>	100	104	80
Imports in 1 000 tonnes (tubes)	2 661	2 192	2 174
<i>index 2021 = 100.</i>	100	82	82
Market share in % (flat)	25,7 %	25,6 %	24,5 %
Market share in % (long)	12,9 %	14,5 %	12,3 %
Market share in % (tubes)	24,2 %	21,7 %	22,2 %

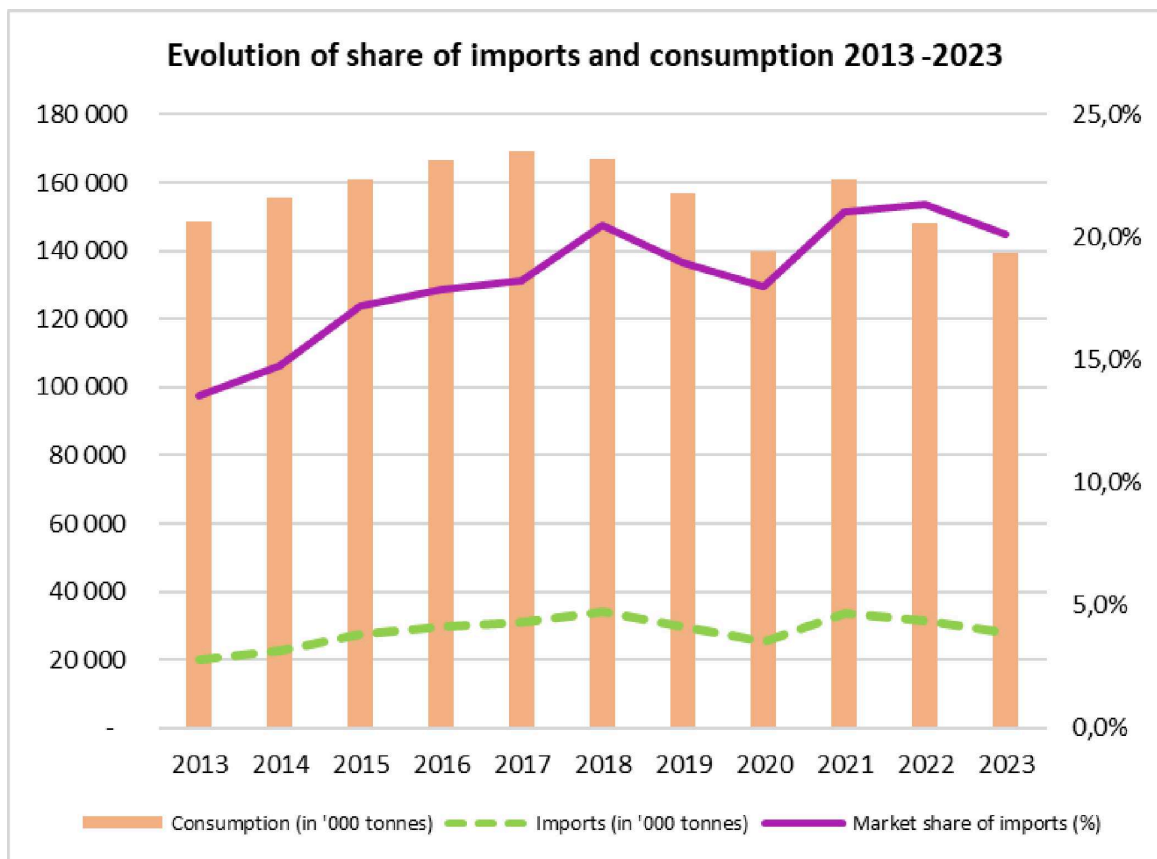
Source: Industry data, questionnaire replies and EUROSTAT.

- (30) The Commission assessed the evolution of imports against the evolution of consumption over the same period. The graph below shows that consumption peaked in 2017-2018. However, in 2023 it saw a drastic reduction, reaching the lowest level since 2013 ⁽²³⁾. On other hand, the share of imports saw a steep and continuous increase until 2018, when the safeguard measure was introduced provisionally in July, and moderately decreased in the following two years. However, since 2021, the share of imports increased again, and it remains at levels substantially above those prior to the imposition of the safeguard measure. Therefore, the investigation concluded that the level of import pressure in terms of market share, is even higher than the levels prior to the imposition of the safeguard measure ⁽²⁴⁾ and those established under the First Prolongation Review Regulation ⁽²⁵⁾.

⁽²³⁾ 2013 is the first year of the period covered by the Commission's data collection in the context of the Definitive Safeguard Regulation.

⁽²⁴⁾ Already in the definitive measure, with a lower share of import penetration, the Commission had established that the increase in imports (+71 %) had been significant. See Section 3 of Definitive Safeguard Regulation.

⁽²⁵⁾ See recital (25) of the First Prolongation Review Regulation.



Sources: For imports, Eurostat. For consumption, EU industry questionnaire replies as provided in the original investigation (years 2013-2017), First Prolongation Review investigation (years 2018-2020) and Second Prolongation Review investigation (years 2021-2023) respectively.

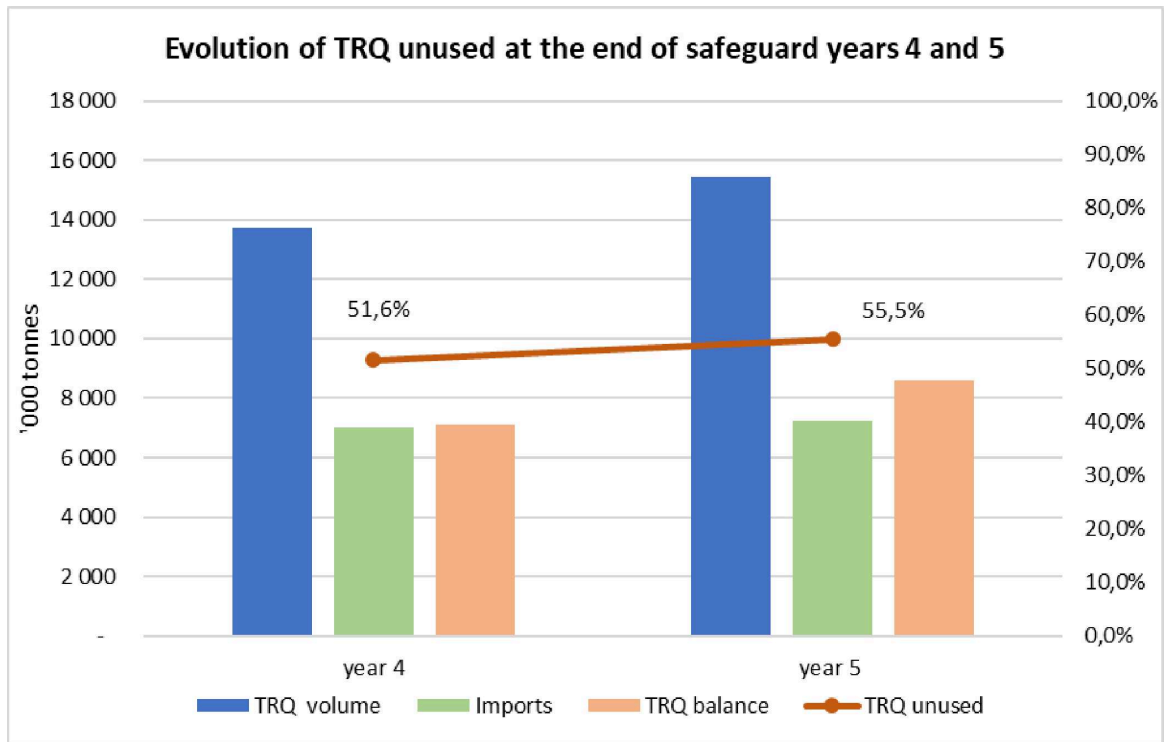
(b) Import pressure - Evolution of TRQ Use

- (31) The Commission also assessed import pressure in light of the evolution of TRQ use.⁽²⁶⁾ First, the Commission assessed the evolution of TRQ since the First Prolongation Review Regulation. The data in the graph below shows the TRQ volumes available at the end of each of the last two safeguard years⁽²⁷⁾, showing an average TRQ use of around 46 % at the end of the last quarter of a safeguard year (April-June) with between 7 and 8.5 million tonnes of TRQ unused in years 4 and 5 respectively. Under the current safeguard year⁽²⁸⁾ (data available until 21 May 2024) the trend of TRQ available seems to be comparable. Therefore, the Commission did not observe a major change when looking at the overall TRQ use at the end of the last two safeguard years, including the ongoing year.

⁽²⁶⁾ Data extracted from the Commission's dedicated website providing information on every TRQ use, which is updated on a daily basis. The underlying data used for this analysis is publicly available at: https://ec.europa.eu/taxation_customs/dds2/taric/quota_consultation.jsp

⁽²⁷⁾ Year 4 covers the period 1 July 2021 until 30 June 2022, Year 5 covers the period 1 July 2022 to 30 June 2023

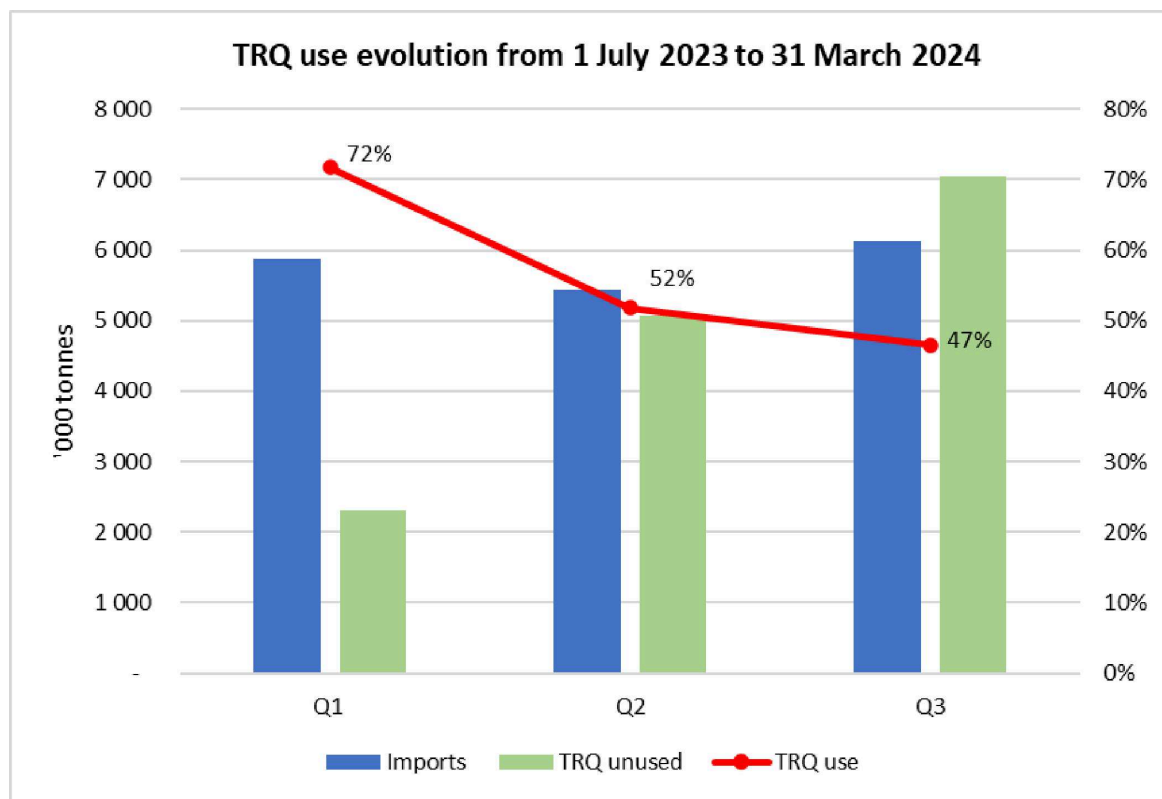
⁽²⁸⁾ Year 6, covering the period 1 July 2023 until 30 June 2024.



Source: DG TRADE calculation based on data available at DG TAXUD quota use database: https://ec.europa.eu/taxation_customs/dds2/taric/quota_consultation.jsp.

- (32) Second, the Commission assessed the most recent developments by looking into the TRQ use so far in the ongoing safeguard year ⁽²⁹⁾ on a quarterly basis.
- (33) The TRQ use analysis confirmed that there had been significant and increasing volumes of TRQ unused, reaching around 7 million tonnes unused at the end of the quarter January-March 2024. As a result, the TRQ use after three quarters stood at 47%, as shown in the graph below. However, in assessing import pressure, the TRQ use rate needs to be analysed together with the evolution of imports' share in Section 3.2.2.(a), which showed an average increase compared to previous periods and with a more granular assessment, as the one undertaken further below in this Section. In particular, considering that the TRQ volumes have increased by around 25 % since 2019 on account of liberalisation and initial top-up and that consumption has decreased substantially and is not expected to recover meaningfully in the near future.

⁽²⁹⁾ Data from 1 July 2023 until 31 March 2024.



Source: DG TRADE calculation based on data available at DG TAXUD quota use database: https://ec.europa.eu/taxation_customs/dds2/taric/quota_consultation.jsp.

- (34) In fact, a more detailed analysis of this data revealed that on average, during the three quarters assessed, 21 individual TRQs (whether country-specific or residual) were exhausted across several product categories. Their combined average volumes represented 32% (nearly two million tonnes per quarter) of the total average volume of imports in the same period.
- (35) In terms of origins, the investigation also confirmed that a relevant number of these TRQs were exhausted by some of the largest steel exporting countries to the Union⁽³⁰⁾, which were exhausting from one to up to eight of their respective country-specific TRQs in a given quarter⁽³¹⁾. Similar export patterns were already identified by the Commission in the First Prolongation Review Regulation.⁽³²⁾ In addition, the largest TRQ under the measure (the residual TRQ in category 1) was consistently exhausted almost immediately during the last three consecutive quarters, showing a continuous opportunistic behaviour from certain third countries.⁽³³⁾
- (36) The exhaustion of TRQs and the pace of such exhaustion in some cases are an indicator of those TRQs where it was more likely that additional volumes would have penetrated in the Union market absent the safeguard measure. In this regard, the safeguard measure was thus preventing additional import pressure from taking place. Therefore, in view of this data, the Commission concluded that these patterns of TRQ use, which took place to different extents across all product families, further confirmed the high level of import pressure existing on the Union steel market.

⁽³⁰⁾ These origins are China, India, Korea, Taiwan and Türkiye.

⁽³¹⁾ On average the number of TRQs exhausted by these origins represented 65% of the total TRQs exhausted.

⁽³²⁾ See recitals (27)-(28) of the First Prolongation Review Regulation.

⁽³³⁾ Oct-Dec 2023, Jan-Mar 2024, Apr-Jun 2024. A similar pattern was identified in some quarters in product category 16 (wire rod).

(c) Evolution of worldwide exports by main steel exporting countries and of consumption in their domestic markets

- (37) Imports into the Union decreased by -17 % in 2023 as compared to 2021 ⁽³⁴⁾. At the same time, as shown in Table 11 below, during the same period imports into the US market also decreased by -8 % and continued to be substantially lower than the peak reached in 2017, prior to the imposition of the US Section 232 measure. In 2023 imports had reduced by nearly 6 million tonnes as compared to 2017, this is, the last year pre-Section 232.

Table 11

Imports into United States in tonnes

Year	2017	2021	2022	2023
Total Third countries (excluding EU)	21 933 440	17 977 836	19 473 713	16 405 997

Source: United States International Trade Commission ⁽³⁵⁾.

- (38) After having identified the evolution of import volumes into the two largest steel importing markets (the Union and the USA) ⁽³⁶⁾, the Commission analysed the export performance of the main steel supplying countries to the Union ⁽³⁷⁾ to third countries (other than the EU and the USA).
- (39) Table 12 below shows that, overall, the main exporting countries to the Union of the product concerned substantially decreased their exports to other third markets over the period considered. An individual assessment of these countries' export performance also confirmed a widespread negative trend of the evolution of exports to markets other than the Union and the USA ⁽³⁸⁾.

Table 12

Evolution of exports (excluding to the EU and USA) of the product concerned from main steel supplying countries to the EU to third markets (excluding China)

Year	2021	2022	2023	% variation	Variation in tonnes
Tonnes	100 433 268	85 647 917	80 921 385	- 19 %	- 19 511 882

Source: Global Trade Atlas. This database gathers statistical information supplied by the national customs statistical offices from each country: <https://www.spglobal.com/marketintelligence/en/mi/products/maritime-global-trade-atlas.html>.

- (40) In view of these figures, the Commission concluded that in addition to having lower volumes of exports to the Union market (Table 9) and to the US market (Table 11) these countries were generally not able to replace their export volumes lost in the two largest importing markets by exporting them to other markets. Thus, in overall terms, the main steel exporting countries to the Union had lost substantial amounts of export volumes worldwide.

⁽³⁴⁾ See Table 9 of this Regulation.

⁽³⁵⁾ <https://dataweb.usitc.gov/>

⁽³⁶⁾ See OECD Steel Market Developments Q2 2024, Table 7.

⁽³⁷⁾ These countries are (alphabetically listed): Egypt, India, Indonesia, Japan, South Korea, Taiwan, Türkiye and Vietnam. Their share of total imports into the Union was 65% in 2023.

⁽³⁸⁾ Data from China, also one of the main exporters to the Union, has not been included as its specific evolution is dealt with separately. The same analysis including exports from China would have shown a 3% increase in exports in the same period.

- (41) The Commission further supplemented its own assessment with the analysis carried out by the OECD on a broader product scope. The OECD data confirmed the Commission's own assessment that the volume of exports of the main steel exporting countries had overall consistently decreased over the period considered ⁽³⁹⁾.
- (42) The only notable exception from this otherwise consistent trend concerned the performance of Chinese exports, which surged in 2023, reaching around 95 million tonnes of exports. This represented an increase in exports of 24 million tonnes (+40%). ⁽⁴⁰⁾ The exports increase by China, given its sheer magnitude, would mask the decrease of exports identified for virtually all other large exporting countries. For this reason, China is not included in the aggregated analysis of Table 12 above.
- (43) In fact, the additional pressure exerted by Chinese exports substantially increased competition in other third country markets ⁽⁴¹⁾. This has reduced further the availability and size of export markets across the world ⁽⁴²⁾ and contributed to the other countries' reduction of exports.
- (44) In this regard, OECD data revealed that despite most of the largest steel exporters reducing their exports, imports in many of the large import markets apart from the EU and the USA showed an upwards trend ⁽⁴³⁾. This appears to be, in several of these markets at least (e.g. ASEAN ⁽⁴⁴⁾, Korea, Türkiye ⁽⁴⁵⁾, Brazil ⁽⁴⁶⁾), driven precisely by the surge of Chinese exports ⁽⁴⁷⁾. Furthermore, the data from the first months of 2024 does not show signs that this export behaviour from China is reversing ⁽⁴⁸⁾.
- (45) In connection to this development of Chinese exports, the Commission also assessed the correlation and impact that such drastic increase of Chinese exports to third countries had on the Union market in terms of import flows.
- (46) The Commission confirmed that imports from some of the origins where China had increased substantially its export presence in 2023 (including Vietnam, Indonesia, and Malaysia) ⁽⁴⁹⁾ as well as other countries usually competing in such Asian markets with China (Japan ⁽⁵⁰⁾) had surged in the Union market in 2023 ⁽⁵¹⁾. Such increases were even more acute if compared to the period prior to the imposition of the safeguard measure. Hence, the data analysed strongly suggests that, in an overall context of weaker consumption, this strong and increasing import pressure from China in certain third markets pushed producers in some countries into finding other export markets for part of their production, amongst which, the Union market ⁽⁵²⁾.

⁽³⁹⁾ See OECD Steel Market Developments, Q2 2024, Table 6.

⁽⁴⁰⁾ See OECD Steel trade and trade policy developments (Jul. – Dec. 2023), Section 2.1.1. This volume is higher than the combined export volumes of the next four world's largest steel exporters: Japan, Korea (Republic of), European Union and Türkiye. See: OECD Steel Market Developments, Q2 2024, Table 6.

⁽⁴¹⁾ See OECD Steel Market Developments, Q2 2024, Table 5.

⁽⁴²⁾ See evolution of domestic consumption in key markets in Table 13 of this Regulation.

⁽⁴³⁾ See OECD Steel Market Developments, Q2 2024, Table 7.

⁽⁴⁴⁾ Including Vietnam, Philippines, Malaysia, Thailand, Indonesia, Singapore.

⁽⁴⁵⁾ See S&P Platts: "Turkish steel mills under pressure from low-priced Asian imports" <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/metals/050924-turkish-steel-mills-under-pressure-from-low-priced-asian-imports-panel>

⁽⁴⁶⁾ See Bloomberg: "China's \$8.5 Billion in Steel Spurs Latin America Toward Tariffs" <https://www.bloomberg.com/news/articles/2024-04-23/brazil-joins-protectionist-wave-in-face-of-cheap-steel-imports>

⁽⁴⁷⁾ See OECD Steel trade and trade policy developments (Jul. – Dec. 2023), Table 1, to be read together with OECD Steel Market Developments, Q2 2024, Table 7.

⁽⁴⁸⁾ See GMK: "In January-April, China increased steel exports by 27 percent" <https://gmk.center/en/news/china-increased-steel-exports-by-27-y-y-in-january-april/>; see also S&P Global Commodity Insights - Platts, World Steel Review, Volume 24, Issue 19, May 8, 2024 (available upon subscription).

⁽⁴⁹⁾ Vietnam increased its exports of the product concerned by +37 % in 2023 when compared to 2021, Malaysia by +535 % and Indonesia by +66 %. In the case of Vietnam, the largest exporter out of the origins assessed for this purpose, the increase in 2023 compared to the year with highest exports before 2021 (this is, 2018) was +334 %

⁽⁵⁰⁾ Japan increased its exports by +106 % in 2023 when compared to 2021.

⁽⁵¹⁾ Korea (Republic of), which also saw pressure from China in its domestic market as well as on other exporting markets, also increased its presence on the Union market, although the increase was more moderate.

⁽⁵²⁾ The evolution of imports from some of these origins into the Union is further developed in the context of the overcapacity analysis in Section 3.2.2.(d)

- (47) As a next step, the Commission assessed the evolution of domestic consumption of the main steel exporting countries ⁽⁵³⁾ over the period considered.

Table 13

Consumption evolution in the main steel-making markets (including the main exporting countries to the EU)

Year / Product	HR coil and coil plate	CR coil	HDG + EZ coil	Tinplate	Reversing mill plate	Rebar + wire rod	Merchant bar + Structural Sections	Rail	all - incl. China	China	without China
2018	501 094	172 656	87 022	8 539	110 692	495 876	190 878	8 137	1 574 894	964 829	610 065
2019	505 033	167 801	90 303	8 820	113 426	531 934	197 669	8 710	1 623 696	1 024 141	599 556
2020	518 795	176 849	91 167	8 371	121 359	552 592	211 095	8 111	1 688 338	1 141 389	546 949
2021	544 636	182 974	90 038	8 094	118 641	547 644	207 966	7 050	1 645 904	1 050 573	595 331
2022	532 646	173 302	87 504	7 317	119 759	516 659	200 983	7 175	1 707 043	1 085 222	621 821
2023	559 856	181 132	92 419	8 020	126 071	502 780	200 126	7 376	1 677 781	1 068 225	609 556

Source: CRU database (available upon subscription).

- (48) Table 13 ⁽⁵⁴⁾ above shows that, in overall terms, consumption in the domestic markets of the main steel exporters went down in 2022 ⁽⁵⁵⁾ by 61 million tonnes (-4 %) with respect to 2021 ⁽⁵⁶⁾. Out of this, Chinese consumption experienced the sharpest decline in overall volumes, with a reduction of -34 million tonnes. In 2023 the overall decrease compared to 2021 was -2 % (-29,2 million tonnes).

- (49) The analysis in this Section confirmed that the main steel exporters are experiencing increasing difficulties to export part of their production to third markets (see also Section 3.2.2.(e) and (f) below). In addition, data showed that it would hardly have been possible to direct the lost export volumes to their own domestic markets in view of the consumption evolution. This resulted in a significant loss of volumes sold both domestically and in third countries for many of the largest steel suppliers to the Union.

(d) Overcapacity

- (50) The evolution of global overcapacity was a key element in the Commission's decision underpinning the imposition of a definitive safeguard measure in February 2019 ⁽⁵⁷⁾ and its prolongation in June 2021 ⁽⁵⁸⁾. In the current investigation, the Commission assessed the latest developments of steel overcapacity, relying on sources such as the OECD Steel Committee and the Global Forum on Steel Excess Capacity (GFSEC), which confirm, in their most recent reports, that overcapacity remains at very high levels ⁽⁵⁹⁾.

- (51) According to these sources, in 2023, global steelmaking capacity was estimated to have exceeded production by over 550 million metric tonnes. This is equivalent to the combined steel production of India, the Americas, EU, Japan, and Türkiye in 2023 ⁽⁶⁰⁾, and it amounts to four times the consumption in the Union market in 2023.

⁽⁵³⁾ Main steel exporting countries of the product concerned to the Union.

⁽⁵⁴⁾ This table is meant to give a general overview of consumption trends of some of the main product categories traded worldwide. The data does not reflect exactly the product concerned.

⁽⁵⁵⁾ Data from 2022 is the latest available to the Commission from this source.

⁽⁵⁶⁾ The trend including or excluding China from the calculation is largely comparable.

⁽⁵⁷⁾ See recitals (49-54) of the Definitive Safeguard Regulation

⁽⁵⁸⁾ See also recitals (38-43) of the First Prolongation Review Regulation and recital (87) of the 2023 Review Regulation.

⁽⁵⁹⁾ See OECD: "Latest developments in steelmaking capacity and outlook until 2026"; and Global Forum on Steel Excess Capacity: "Steel Exports, Trade Remedy Actions and Sources of Excess Capacity"

⁽⁶⁰⁾ See 95th Session of the OECD Steel Committee - Chair's Statement.

- (52) This data therefore showed that the situation of overcapacity has not improved since the imposition of the steel safeguard in 2019. Rather, it continues to be a serious problem in the steel sector, and it is not expected to improve in the near future. In fact, when assessing the likely developments on global overcapacity, the Commission also confirmed that the situation is poised to deteriorate further. The OECD reported that about 160 million metric tonnes of new capacity is planned to be installed between 2024-2026 ⁽⁶¹⁾. Such new capacities, which are larger than the Union's yearly consumption, would be added in a period where global steel demand is projected to grow modestly, risking increasing the gap between capacity and demand even further and thus, exacerbating the overcapacity situation.
- (53) In addition, the information analysed confirmed that the Union was virtually the only major steelmaking region where installed capacity had decreased in the period 2018-2023 and thus did not contribute to the current trends in global overcapacity ⁽⁶²⁾.
- (54) The Commission further confirmed the information on overcapacity with the data from the CRU database ⁽⁶³⁾ for the main steel-making countries worldwide, which include the main steel-exporting countries to the Union market.
- (55) Therefore, the Commission concluded that overcapacity remained at very high levels and was likely to increase even further.
- (56) In addition to assessing the latest evolution of global overcapacity, the Commission analysed the links between growing excess capacity in some countries and regions, and the evolution of imports into the Union from such origins. This assessment was based on import statistics as well as on the specific research on overcapacity evolution done by the OECD Steel Committee ⁽⁶⁴⁾ and the GFSEC ⁽⁶⁵⁾.
- (57) According to GFSEC *"in recent years, risks of overinvestment have become increasingly apparent in Southeast Asia, parts of the Middle East and Africa, where such capacity increases exceed local demand for steel by a very wide margin"*. The document added that *"Viet Nam, Indonesia and Malaysia have experienced capacity growth rates in excess of 35 % to 95 %, while steel demand has either declined or increased marginally (...) and that certain other economies in the Middle East, South Asia and Northern Africa are also registering imbalanced growth (e.g., Iran, Pakistan and Algeria)"* ⁽⁶⁶⁾.
- (58) For its part, this information was also in line with that supplied at country-level by the OECD, showing a significant increase in capacity in these (as well as other) origins ⁽⁶⁷⁾. In this respect, the investigation also revealed that part of these capacity additions was driven by Chinese overseas investments, in particular but not limited to the ASEAN region ⁽⁶⁸⁾.

⁽⁶¹⁾ See OECD: "Latest developments in steelmaking capacity and outlook until 2026", Sections 2.4 and 4.

⁽⁶²⁾ *Ibid*, Table 1, p.9

⁽⁶³⁾ Source: CRU database for years 2017-2023 overcapacity figures compared to consumption and production. <https://www.crugroup.com/analysis/steel/> (access under subscription).

⁽⁶⁴⁾ See OECD: "Latest developments in steelmaking capacity and outlook until 2026".

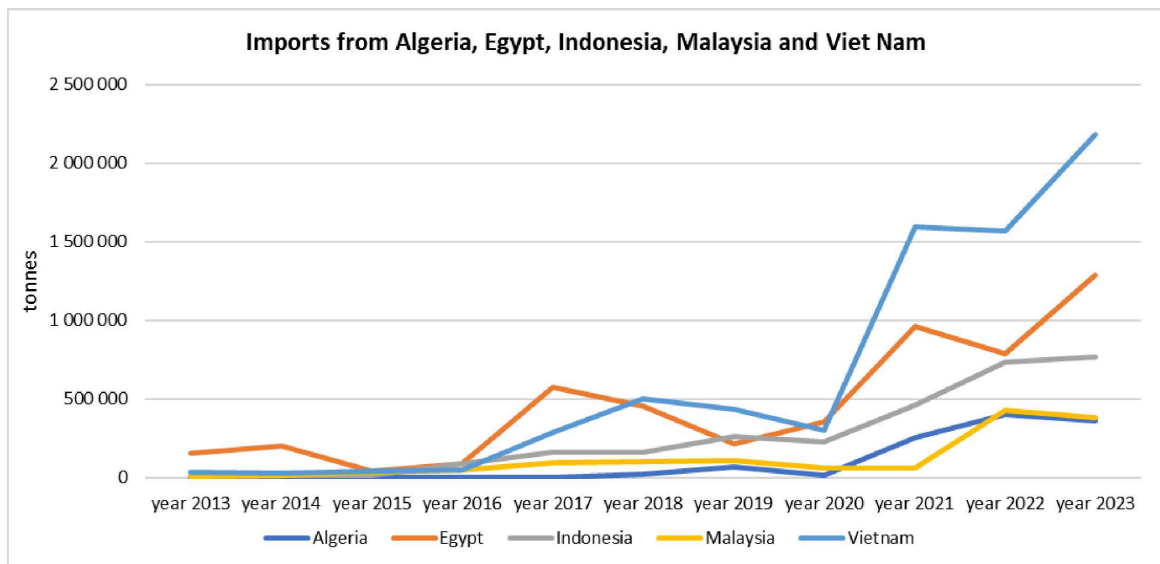
⁽⁶⁵⁾ See and Global Forum on Steel Excess Capacity: "Steel Exports, Trade Remedy Actions and Sources of Excess Capacity"

⁽⁶⁶⁾ *Ibid* at paras. 12 and 13.

⁽⁶⁷⁾ See OECD "Latest developments in steelmaking capacity and outlook until 2026", Annex C.

⁽⁶⁸⁾ See OECD Latest Developments in Steelmaking Capacity and Outlook Until 2026, Sections 2.4 and 3. See, also: <https://gmk.center/en/news/chinese-xinxing-invests-2-billion-in-steel-plants-in-egypt/> ; [https://news.metal.com/newscontent/102434658/Another-Chinese-steel-mills-made-its-way-to-overseas-For-Chinese-companies-looking-to-invest-overseas-what-are-critical-factors-to-watch-for](https://news.metal.com/newscontent/102434658/Another-Chinese-steel-mills-made-its-way-to-overseas-For-Chinese-companies-looking-to-invest-overseas-what-are-critical-factors-to-watch-for;);

- (59) When assessing the evolution of imports into the Union per origin, the Commission identified that in the period 2022-2023, imports from certain origins⁽⁶⁹⁾ had surged⁽⁷⁰⁾, despite the safeguard measure being in place. Imports from these origins were not amongst the Union's traditional suppliers and in some cases were almost non-existent prior to the safeguard measure and during its first years of application. As such, they did not qualify for a country-specific quota (CSQ) and therefore they were using the space available under the residual TRQs to penetrate into the Union market at a very fast pace and with high volumes. Such abrupt presence generated significant disturbances on the market and in some instances undermined the effectiveness of the measure (See Section 7.3 below). The graph below shows the evolution of imports into the Union from some of these origins.



Source: Eurostat.

- (60) The graph shows that imports from these origins increased by almost 4 million tonnes in 2023 as compared to the year 2017, prior to the safeguard measure.
- (61) Therefore, the analysis of the data available showed a direct correlation between the import evolution from certain origins into the Union market, and the evolution and state of overcapacity these origins, in addition to the increased presence of Chinese exports in some of them. As developed in Section 7.3 below, the investigation confirmed that such aggressive penetration in a market subject to a safeguard was already having a negative impact on the Union industry, and therefore further actions concerning the functioning of the measure to offset such effects were necessary.
- (e) Third country measures, including US Section 232
- (62) In the Definitive Safeguard Regulation, the Commission found that the US Section 232 measures on certain steel products were likely to cause considerable trade diversion to the Union market of exports originally destined to the US market, if no remedial action was taken by the Union. In its Definitive Safeguard Regulation, the Commission concluded that there was evidence that the first signs of trade diversion had already been taking place in 2018⁽⁷¹⁾. In the First Prolongation Review Regulation, the Commission confirmed that the risk of trade diversion stemming from this measure remained⁽⁷²⁾. Furthermore, in the context of the Third Functioning Review Regulation, the Commission conducted a specific detailed assessment of the impact of this measure on potential trade flows into the Union market. In that assessment, the Commission concluded that the risk of trade diversion remained, despite the changes that the US Section 232 had undergone⁽⁷³⁾.

⁽⁶⁹⁾ These origins include: Algeria, Egypt, Indonesia, Malaysia and Vietnam.

⁽⁷⁰⁾ Imports from these origins increased by 344 % as compared to 2017, the last year before the safeguard measure was imposed.

⁽⁷¹⁾ See recitals (99) to (110) of Definitive Safeguard Regulation

⁽⁷²⁾ See Section 3.1.2.(c) of the First Prolongation Review Regulation

⁽⁷³⁾ Section 3.5 of the Third Functioning Review Regulation

- (63) In the current investigation the Commission assessed the latest status of the US measure to determine whether the previous findings remained valid. The investigation confirmed that the measure remained in place and that it had not been subject to any substantial changes in terms of scope or functioning since the last time the Commission assessed it in 2023 ⁽⁷⁴⁾. Furthermore, based on the information available ⁽⁷⁵⁾, it appeared reasonable to assume that the US Section 232 measure was not going to be removed or substantially modified in the foreseeable future.
- (64) The Commission showed in Table 11 (imports into USA) that the level of imports into the US market had remained substantially lower than in the period prior to the imposition of Section 232. In addition, as shown in Sections 3.2.2 (c) (exports to other markets and domestic consumption) the largest suppliers to the Union have generally not found other markets that would replace the volumes they formerly exported, inter alia, to the US market.
- (65) Accordingly, the risk of trade diversion into the Union market as a result of the US Section 232 measures fully remains if the Union safeguard measure were to lapse.
- (66) In addition to US Section 232, the USA also indicated that it would increase duties on imports of certain steel products from China under Section 301 ⁽⁷⁶⁾. This measure would increase the difficulties for China to export into the US market, creating a further risk of trade diversion, either from additional volumes of steel directly exported from China to the Union, or indirectly, through displacement of other origins in third markets due to increased Chinese presence, as already observed in Section 3.2.2 (d) above. Such volumes could then be, at least partially, directed to the Union market.
- (67) In addition to the USA, the Commission also identified new measures, other than Trade Defence Instruments (TDI), ⁽⁷⁷⁾ adopted by other jurisdictions. For instance, in August 2023, Mexico raised from 15 % to 25 % import duties of some steel products ⁽⁷⁸⁾. In February 2024 Brazil raised import duties on several steel products. ⁽⁷⁹⁾ In April 2024, Türkiye restricted exports of certain steel products to Israel ⁽⁸⁰⁾.
- (68) Therefore, the investigation confirmed that the number and scope of measures adopted by third countries has continued to increase, exacerbating the risk of trade diversion as the markets available to exporters have shrunk further.

⁽⁷⁴⁾ See Section 4.1.2. of the 2023 Review Regulation

⁽⁷⁵⁾ See "Fact Sheet: Biden-Harris Administration Announces New Actions to Protect U.S. Steel and Shipbuilding Industry from China's Unfair Practices", April 2024, indicating that "(...) this is a growing challenge that must be addressed to prevent Chinese and others' steel exports from gaining access to the U.S. market and evading Section 232 or Section 301 tariffs. President Biden recently sent senior members of his administration to Mexico to address this issue".

<https://www.whitehouse.gov/briefing-room/statements-releases/2024/04/17/fact-sheet-biden-harris-administration-announces-new-actions-to-protect-u-s-steel-and-shipbuilding-industry-from-chinas-unfair-practices/>

See also: Statement from USTR Spokesperson Adam Hodge, 9 December 2022; <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/december/statement-ustr-spokesperson-adam-hodge>

⁽⁷⁶⁾ See "Fact Sheet: Biden-Harris Administration Announces New Actions to Protect U.S. Steel and Shipbuilding Industry from China's Unfair Practices", April 2024; <https://www.whitehouse.gov/briefing-room/statements-releases/2024/04/17/fact-sheet-biden-harris-administration-announces-new-actions-to-protect-u-s-steel-and-shipbuilding-industry-from-chinas-unfair-practices/>

See also 'Fact Sheet: President Biden Takes Action to Protect American Workers and Businesses from China's Unfair Trade Practices, 14 May 2024:

<https://www.whitehouse.gov/briefing-room/statements-releases/2024/05/14/fact-sheet-president-biden-takes-action-to-protect-american-workers-and-businesses-from-chinas-unfair-trade-practices/>

⁽⁷⁷⁾ A specific assessment of TDI measures is conducted in Section 3.2.2. (f)

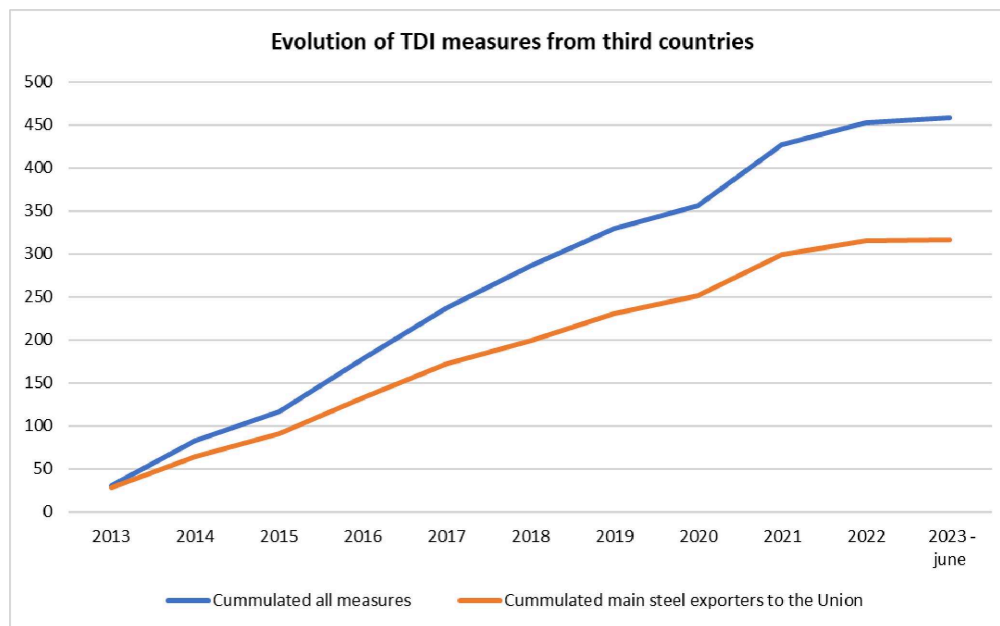
⁽⁷⁸⁾ See S&P Platts: "Mexico imposes 25% tariff on imports of steel to improve domestic market" | S&P Global Commodity Insights ([spglobal.com](https://www.spglobal.com))

⁽⁷⁹⁾ See announcement from Brazilian Government. "Gecex restores import tariffs for 5 steel NCMS" "<https://www.gov.br/mdic/pt-br/assuntos/noticias/2024/fevereiro/gecex-recompoe-tarifas-de-importacao-para-5-ncms-do-aco>"

⁽⁸⁰⁾ See S&P Platts: "Türkiye restricts steel and aluminium exports to Israel"; In particular noting that "as Israel is one of Türkiye's top long steel export destinations, the restrictions could harm Turkish mills' export volumes and pricing". <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/metals/040924-Türkiye-restricts-steel-and-aluminum-exports-to-israel>

(f) Situation of trade defence measures in third countries

- (69) The evolution and state of TDI measures on steel products in third countries⁽⁸¹⁾ was assessed in previous investigations⁽⁸²⁾. In this investigation the Commission looked into the most recent developments and confirmed that the number of TDI measures in place continued to increase and remains at high levels, as shown in the below graph.



Source: WTO Trade Remedies Portal - <https://trade-remedies.wto.org/en>.

- (70) In addition, this graph also shows that a significant share of the measures has been imposed against the main steel exporters to the Union⁽⁸³⁾. This means that these countries are experiencing increasing difficulties to export their production to third countries also as a result of the growing number of TDI measures against them.
- (71) In addition, the Commission has also observed how other jurisdictions were proposing to extend their existing safeguard measures, such as the United Kingdom⁽⁸⁴⁾, or were initiating new safeguard investigations, like South Africa⁽⁸⁵⁾. The growing number of trade defence measures proliferating across jurisdictions are reinforcing the difficulties for exporting countries to find outlets for their production, in a context of growing overcapacity⁽⁸⁶⁾, which will contribute to increasing the already existing tensions on the market. Furthermore, the market developments observed, in particular the surge of Chinese exports amidst weak market conditions, may result in further TDI actions⁽⁸⁷⁾.

⁽⁸¹⁾ Exports from EU subject to TDI measures are not taken into account for this assessment.

⁽⁸²⁾ See recitals (33-34) of the 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), recitals (47-48) of the First Prolongation Review Regulation and recitals (64-66) of the 2023 Review Regulation.

⁽⁸³⁾ In alphabetical order: China, Egypt, Korea (Republic of), India, Indonesia, Japan, Taiwan, Türkiye and Vietnam.

⁽⁸⁴⁾ <https://www.gov.uk/government/news/tra-recommends-steel-safeguard-measure-be-extended-to-2026>

⁽⁸⁵⁾ https://www.wto.org/english/news_e/news24_e/safe_zaf_04mar24_e.htm

⁽⁸⁶⁾ On the link between existing overcapacity and the evolution of trade defence actions, see the analysis undertaken by the Global Forum on Steel Excess Capacity: "Steel Exports, Trade Remedy Actions and Sources of Excess Capacity", section 4.

⁽⁸⁷⁾ See OECD Steel Committee Chair's statement: "Growing concern about disruptions in steel trade. Members discussed the sudden surge in steel exports over the past year, particularly from China, where steel exports are currently running close to the peak levels seen in 2016. Indirect steel exports (steel-containing goods such as machinery and vehicles) from China are also on the rise. These developments risk triggering more instability and trade actions around the world."

(g) Attractiveness of the Union market

- (72) The Union is by far the largest steel importing market in the world in terms of volumes. ⁽⁸⁸⁾ In terms of price levels, import prices into the Union from its main supplying countries are consistently higher than their export prices to other third markets for a large majority of their steel exports. Based on a price assessment by the Commission, 57% to 93% of the product codes analysed per country showed higher export prices to the Union than to other third markets ⁽⁸⁹⁾.
- (73) This clearly indicates that exporters have a very strong interest in entering the Union market and sometimes incurring in unfair pricing conduct. In fact, in recent years the Commission has imposed a series of anti-dumping and countervailing measures on imports of steel, including on product categories covered by the safeguard ⁽⁹⁰⁾. This strong interest in penetrating the Union market is further revealed by some countries trying to circumvent existing TDI measures ⁽⁹¹⁾. The statistical trends of imports into the Union confirm the attractiveness of the Union market for exporters. Imports into the Union have, on average, even increased their market share during the period considered as compared to the period prior to the imposition of the safeguard, in a context of decreasing consumption and despite a safeguard in place. Furthermore, in some cases, available TRQs are exhausted very quickly in a given quarter, showing signs of continuous opportunistic behaviour.
- (74) In view of these elements, the Commission concluded that the Union steel market remained attractive in size and prices.

(h) Market outlooks

- (75) To complement the assessment of the factors described in Sections 3.2.2. a) to Section 3.2.2. g), the Commission also analysed the most recent market outlooks available. The outlooks pointed at a relatively slow recovery in consumption in 2024 and 2025, as compared to 2023, but still below 2021 volumes.
- (76) In its April 2024 Short Range Outlook (SRO), Worldsteel forecasted world steel demand to grow by 1.7% to 1.793 mmt in 2024 and by 1.2 %, reaching 1.815 mmt, in 2025. This modest recovery in 2024 (barely recovering 2022 figures) and 2025 would still be below demand volumes reached in 2021. The report outlined that *“global economic outlook has worsened due to monetary tightening affecting consumption and investment. The construction sector, especially residential, suffers from high interest rates and costs, while infrastructure investment offers some relief. The manufacturing sector slows due to weakened demand, with consumer durables hit hard”* ⁽⁹²⁾.
- (77) For its part, the Chair statement at the March 2024 OECD Steel Committee noted that the most recent forecasts for 2024 and 2025 suggest that global steel demand growth will continue to be very sluggish ⁽⁹³⁾.

⁽⁸⁸⁾ See OECD steel market developments Q2 2024, Table 7.

⁽⁸⁹⁾ Source of raw data: Global Trade Atlas 'GTA'. <https://www.gtis.com/gta/>. Figures pertaining to the year 2023, for exports from the main steel exporting countries to the Union: In alphabetical order: China, Egypt, Korea (Republic of), India, Indonesia, Japan, Taiwan, Türkiye and Vietnam.

⁽⁹⁰⁾ See DG TRADE's website for a complete list of measures imposed on steel imports since the imposition of the safeguard measure: <https://tron.trade.ec.europa.eu/investigations/search>

⁽⁹¹⁾ See as a recent example 'Commission fights circumvention of tariffs on imports of cold-rolled stainless steel': https://policy.trade.ec.europa.eu/news/commission-fights-circumvention-tariffs-imports-cold-rolled-stainless-steel-2024-05-07_en

⁽⁹²⁾ <https://worldsteel.org/media/press-releases/2024/worldsteel-short-range-outlook-april-2024/>

⁽⁹³⁾ See OECD Steel Committee's Chair Statement: <https://www.oecd.org/industry/ind/95-oecd-steel-chair-statement.htm#:~:text=The%20combined%20effects%20of%20inflation,steel%20consuming%20sector%2C%20and%20investment>

- (78) Lastly, EUROFER's economic outlook was in line with the other outlooks assessed and indicated that the ongoing economic uncertainty is set to continue affecting the steel market growth over the upcoming quarters and that in 2024, steel-using sectors' growth is projected to further decelerate (+0.2 %, revised downwards from +0.4 %), mainly due to the second recession in a row in the construction sector, before picking up moderately (+1.5 %) in 2025 ⁽⁹⁴⁾.
- (79) Therefore, the Commission concluded that the situation in the world steel market in general, and in the Union in particular, would continue to be challenging from the demand point of view.

3.2.3. *Conclusions on the necessity requirement*

- (80) Based on the foregoing evidence and considerations, the Commission found that the Union steel industry is in a fragile situation.
- (81) The Commission also found that imports from the main steel exporting countries have exerted and still continue exerting very high and increasing import pressure on the Union's steel market. Import pressure has been exacerbated by the sudden and quick import penetration of a variety of origins which were not present on the Union market in relevant volumes in the past. This added to the import pressure identified in previous investigations.
- (82) The Commission also confirmed high levels of overcapacity and expected capacity increases in the coming years, in a context of expected slow growth in demand. This suggests that the situation of overcapacity is not likely to improve.
- (83) Exporting countries have lost market access not only to the largest importing markets (Union and USA) but also to other third markets. In addition, their domestic consumption has also generally decreased. A surge of exports from China created an additional layer of pressure on competition on third markets, displacing volumes from other exporting countries, a trend which does not show signs of reversing in the near future.
- (84) Trade restrictive and TDI measures were on the rise and remained at high levels, thus creating additional difficulties for exporting countries to find outlets for their production. Lastly, the investigation confirmed that the Union market was attractive in terms of size and prices.
- (85) Considering the degree of global overcapacity, the high number of trade barriers across multiple jurisdictions and the existing market outlooks, the Commission concluded that should the safeguard lapse, imports into the Union would likely increase. Such increase would put additional import pressure on the fragile Union industry and hence, would likely cause serious injury. Therefore, in view of the elements analysed in Sections 3.1 and 3.2 the Commission concluded that the measure continued to be necessary to prevent or remedy serious injury to the Union industry.

⁽⁹⁴⁾ https://www.eurofer.eu/assets/publications/economic-market-outlook/economic-and-steel-market-outlook-2024-2025-second-quarter/Economic-Report-Q2-2024_final.pdf

3.3. Whether there is evidence that the Union Industry is adjusting

- (86) One of the objectives of the safeguard instrument is to allow domestic producers to adjust while measures are in place. Therefore, evidence of industry adjustments is a necessary condition to prolong a safeguard measure.
- (87) In this regard, the Commission already confirmed in 2021 ⁽⁹⁵⁾ that the Union industry was adjusting. Actually, by the time the Commission introduced the steel safeguard in 2018, the Union industry had already initiated a process of adjustment in response to the serious crisis of the steel sector since mid-2010, when world steel demand slowed down, and capacity worldwide continued growing ⁽⁹⁶⁾.
- (88) In this investigation, the Commission gathered evidence of numerous adjustments made by the Union industry through questionnaire replies ⁽⁹⁷⁾, written submissions, and its own research (based on public available information, such as articles reporting industry adjustments in all the categories mentioned below).
- (89) The Union industry documented numerous measures to improve competitiveness in the current challenging market conditions. Since the First Prolongation Review Regulation in 2021, the Union industry continued implementing a number of restructuring measures, such as closing down less efficient or underutilised facilities ⁽⁹⁸⁾. This was confirmed by the capacity data provided in the questionnaire replies, which shows a slight decrease in production capacity ⁽⁹⁹⁾. The OECD Steel Committee data also aligned with this information, reporting that in the period 2018-2023 capacity in the Union had gone down by 5.2 million tonnes ⁽¹⁰⁰⁾. In connection to this type of adjustment, in April 2024, one of the largest Union producers (thyssenkrupp) announced an upcoming significant reduction of capacity of around 2.5 million tonnes in its largest production site. Thus, the Union industry undertook continuous and significant efforts to adjust to market conditions ⁽¹⁰¹⁾.

⁽⁹⁵⁾ See Section 3.2. of the First Prolongation Review Regulation.

⁽⁹⁶⁾ See OECD "Latest developments in steelmaking capacity and outlook until 2026", Table 1, p.9.

⁽⁹⁷⁾ See relevant section on adjustments in the open versions of the questionnaire replies from Union producers, available in TRON (<https://tron.trade.ec.europa.eu/tron/TDI> (accessible only by registered interested parties). In some instances, specific details pertaining to some adjustments may contain business confidential information and therefore are not available on the open version of the reply.

⁽⁹⁸⁾ "thyssenkrupp Steel Executive Board reacts to challenging market conditions and presents initial conceptual outlines of a structural realignment" Source: thyssenkrupp-steel.com (11 April 2024) <https://www.thyssenkrupp-steel.com/en/newsroom/press-releases/thyssenkrupp-steel-executive-board-reacts-to-challenging-market-conditions-and-presents-initial-conceptual-outlines-of-a-structural-realignment.html>

"Vallourec is winding down pipe production in Germany" Source: GMK (25 September 2023)

<https://gmk.center/en/news/vallourec-is-winding-down-pipe-production-in-germany/>

"thyssenkrupp shuts down the Galmed steel plant in Spain" Source: GMK (27 Novembre 2023) <https://gmk.center/en/news/thyssenkrupp-shuts-down-the-galmed-steel-plant-in-spain/#:~:text=German%20concern%20Thyssenkrupp%20has%20announced,rolled%20galvanized%20coils%20per%20year>

"Outokumpu plans restructuring measures in Germany to strengthen competitiveness and market leadership in advanced materials" Source: Otokumpu.com (7 November 2023) <https://www.outokumpu.com/en/news/2023/outokumpu-plans-restructuring-measures-in-germany-to-strengthen-competitiveness-and-market-leadership-in-advanced-materials-3354404>

⁽⁹⁹⁾ See Table 1 of this Regulation.

⁽¹⁰⁰⁾ See OECD "Latest developments in steelmaking capacity and outlook until 2026", Table 1.

⁽¹⁰¹⁾ A trend of capacity reduction was exceptional, when compared to trends in other major steelmaking regions, which consistently increased capacity.

- (90) In addition, Union producers have also documented a variety of other adjustments to improve competitiveness, such as expanding the product portfolio, often with higher value-added products⁽¹⁰²⁾ and improving process efficiency and plant modernisation⁽¹⁰³⁾. In this regard, the efforts of the Union steel industry have been concentrated in improving energy efficiency⁽¹⁰⁴⁾, also with a view to complying with the EU emissions requirements.
- (91) The adjustments undertaken cover all the product families subject to the safeguard measure.
- (92) Therefore, the Commission concluded that the evidence showed that the Union industry has continued to adjust during the period considered.

3.4. Union Interest

- (93) 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 prolong the existing safeguard.
- (94) For this purpose, the Commission assessed the impact of possible measures on Union producers, importers and users. The assessment of the evidence available is structured as follows: i) the economic situation of Union steel producers and the possible effect of a removal of the measure; and ii) the interest of Union users and importers assessing amongst other elements, the TRQ use evolution under the safeguard and the overall availability of imports in the Union market in light of existing market outlooks.

⁽¹⁰²⁾ “Liberty Galati invested \$8.9 million in a new pipe coating line” Source: GMK (11 May 2023) <https://gmk.center/en/news/liberty-galati-invested-8-9-million-in-a-new-pipe-coating-line/>

“ArcelorMittal plans to invest about \$25 million in a galvanizing plant in Krakow” Source: GMK (11 April 2024) <https://gmk.center/en/news/arcelormittal-plans-to-invest-about-25-million-in-a-galvanizing-plant-in-krakow/#:~:text=The%20funds%20will%20be%20used,its%20galvanizing%20plant%20in%20Krakow>

“thyssenkrupp Steel puts together largest investment package in 20 years” Source: thyssenkrupp.com <https://www.thyssenkrupp-steel.com/en/company/strategy-20-30/investments/investments.html> (last accessed May 2024)

Other projects were reported by a great number of respondents to the EU questionnaires.

⁽¹⁰³⁾ “Expansion of large diameter line at Tenaris’s mill in Italy lowers carbon emissions” Source: Tenaris.com (12 February 2021) <https://www.tenaris.com/en/news/2021/expansion-of-large-diameter-line-in-italy-lowers-carbon-emissions>

“thyssenkrupp Steel is starting a new production modernization project in Duisburg” Source: GMK (13 December 2023) <https://gmk.center/en/news/thyssenkrupp-steel-is-starting-a-new-production-modernization-project-in-duisburg/>

Other projects were reported by a great number of respondents to the EU questionnaires.

⁽¹⁰⁴⁾ “Belgium: Showcasing the full spectrum of our decarbonisation technologies” Source: corporate.arcelormittal.com (last accessed May 2024) <https://corporate.arcelormittal.com/climate-action/decarbonisation-investment-plans/belgium-showcasing-the-full-spectrum-of-our-decarbonisation-technologies>

“Voestalpine produces worlds’ first green wire rod a Donawitz plant” Source: GMK (11 April 2024) <https://gmk.center/en/news/voestalpine-produces-worlds-first-green-wire-rod-at-donawitz-plant/>

“ArcelorMittal plans major investments in German sites, to accelerate CO2 emissions reduction strategy and leverage the hydrogen grid”. Source: corporate.arcelormittal.com (29 March 2021) <https://corporate.arcelormittal.com/media/news-articles/arcelormittal-plans-major-investment-in-german-sites-to-accelerate-co2-emissions-reduction-strategy-and-leverage-the-hydrogen-grid>

“Aperam launches its new sustainability brand for all its near-zero* footprint premium products, related services and solutions ‘aperam infinite.TM’” Source : www.eqs-news.com (23 September 2023) <https://www.eqs-news.com/news/corporate/aperam-launches-its-new-sustainability-brand-for-all-its-near-zero-footprint-premium-products-related-services-and-solutions-aperam-infinite-tm/1907309>

“SALCOS milestone reached – Salzgitter AG awards contract for direct reduction plant” Source: [Salzgitter-ag.com](http://www.salzgitter-ag.com) (24 May 2023) <https://www.salzgitter-ag.com/en/newsroom/press-releases/details/salcos-milestone-reached-salzgitter-ag-awards-contract-for-direct-reduction-plant-20791.html>

“ArcelorMittal starts production of low carbon heavy steel plate in Spain” Source: [fastmarkets.com](http://www.fastmarkets.com) (20 July 2023) <https://www.fastmarkets.com/insights/low-carbon-steel-production-arcelormittal-spain/>

3.4.1. Interest of Union producers

- (95) As outlined in the First Prolongation Review Regulation, the Union steel industry has more than 500 production sites operating across 23 EU Member States. The industry directly employs more than 300 000 people, and when including indirect and induced jobs in other sectors, it is estimated that it supports 2.6 million jobs throughout the Union. In addition, different analysis undertaken by the Commission services showed the relevance of the steel industry to the Union economy ⁽¹⁰⁵⁾. The current investigation confirmed that there had not been any substantial changes in this respect.
- (96) In this investigation the Commission also concluded that the measure continues to be necessary to prevent serious injury which would be likely to occur if the safeguard lapses. A situation of serious injury would seriously jeopardise the adjusting efforts being undertaken by the Union industry.
- (97) Therefore, the investigation confirmed that prolonging the measure would be in the interest of Union producers.

3.4.2. Interest of Union users and importers

- (98) The investigation also assessed the impact that a prolongation of the measure would be likely to have on Union users and importers.
- (99) In this respect the investigation concluded that consumption in the Union had drastically decreased, and in line with this market development, there had been large volumes of TRQs consistently and increasingly unused from quarter to quarter. Furthermore, the investigation also confirmed that there had been a very large and increasing gap between the increase in TRQ volumes, on account mostly ⁽¹⁰⁶⁾ of regular liberalisation since 2019, as compared to the evolution of consumption ⁽¹⁰⁷⁾. The market outlooks also revealed that only moderate growth of Union consumption was expected to take place, and that in any event, such growth would be significantly smaller than the volumes of TRQs that remained available, usually from multiple origins, across product categories and product families.
- (100) Therefore, the Commission concluded that even if the measure is prolonged, in overall terms Union users and importers would continue to have the possibility to source free-of-duty steel across product categories from a variety of origins. In addition, the investigation also confirmed that Union producers had room to increase their capacity utilisation and could thus supply additional quantities to Union customers. Hence, the Commission confirmed that a prolongation of the measure would in overall terms not prevent Union users and importers from sourcing sufficient volumes of steel free-of-duty both from importing sources as well as from Union producers.

⁽¹⁰⁵⁾ See Communication from the Commission to the parliament, the Council, the European Economic and Social Committee and the Committee of Regions – “Action Plan for a competitive and sustainable steel industry in Europe”, COM(2013) 407 final, where the Commission noted that ‘a strong and competitive steel sector is important for Europe’s industrial base’.

See also Commission Staff Working Document “Towards competitive and clean European steel”, SWD (2021) 353 final, 5.5.2021, which noted that “energy-intensive industries are indispensable to Europe’s economy and that other sectors rely on them” and that “the steel sector and other energy-intensive industries play a vital role in providing products and services to a wide-range of Europe’s industrial ecosystems”. The same document noted that “a robust industrial base is essential for Europe’s economic growth, preservation of sustainable jobs and our competitiveness on global markets, and that a strong steel sector forms the basis of many industrial value chains”.

⁽¹⁰⁶⁾ The Commission increased the TRQ volumes by 5 % upon imposition of a definitive measure in February 2019. Such top-up was not due to liberalisation.

⁽¹⁰⁷⁾ See Section 7.5 of this Regulation.

- (101) Furthermore, as in the First Prolongation Review Regulation⁽¹⁰⁸⁾, the Commission cross-checked the potential impact that the safeguard measure⁽¹⁰⁹⁾ may have had on the level of steel prices on the Union market, by comparing the trends in the Union with those in other main steel markets worldwide⁽¹¹⁰⁾. The analysis showed that the evolution of prices on the Union market was following the same or a very similar trend than that of other markets, thus indicating that the safeguard measure was not creating an anomaly in terms of price trends on the Union.
- (102) Thus, based on these findings, the Commission concluded that the submissions made by Union users and importers did not show that the prolongation would be against the overall Union interest.

3.5. Conclusion on prolongation

- (103) The Commission has established that the legal requirements of necessity and adjustment required to prolong a safeguard measure are met. In addition, the Commission has established that the measure would not be against the overall Union interest.
- (104) Therefore, the Commission concluded that it is appropriate to prolong the steel safeguard measure beyond 30 June 2024.

4. COMMENTS BY INTERESTED PARTIES CONCERNING PROLONGATION

- (105) The Commission received over 65 submissions of observations and rebuttals from interested parties, including Union steel producers, Union steel users and importers, as well as their respective associations, exporting producers and third country governments. In this section, the Commission will address the claims made by these interested parties on prolongation. For the sake of administrative economy, the Commission grouped the claims by nature and content. Where appropriate, the Commission referred to findings in this Regulation (Sections 3 and 4) that already addressed in detail most of the claims made by interested parties. The Commission concluded that none of the arguments raised could change the Commission's conclusion as to the appropriateness of prolonging the steel safeguard measure.

4.1. The findings of WTO Dispute Settlement Body in dispute DS595 require the Commission to terminate the measure

- (106) Some interested parties referred to the Dispute Settlement Body ('DSB') Report of 29 April 2022 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').
- (107) In this respect, as done in previous reviews where this claim was made, the Commission refers to the Implementing Regulation (EU) 2023/104 of 13 January 2023⁽¹¹¹⁾ 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.

⁽¹⁰⁸⁾ See Section 5.2.2. of First Prolongation Review Regulation.

⁽¹⁰⁹⁾ The Union safeguard measure takes the form of a TRQ and thus significant volumes are allowed free-of-duty.

⁽¹¹⁰⁾ See, as reference, S&P Global Commodity Insights, Platts market price assessments (available upon subscription). The markets assessed include the Union, USA, China, Türkiye, Mexico and India and the products assessed are hot-rolled flat products, hot-dipped galvanised, rebar and wire rod.

⁽¹¹¹⁾ 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.

- (108) 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.
- (109) One party alleged that, according to WTO rules, WTO members had the opportunity to extend safeguard measures once. This is because the relevant text in the WTO (Article 7.3) Agreement on Safeguards refers to the word “extension” in singular. So far, there is no substantive interpretation by the Dispute Settlement Body (DSB), however, the word “extension” in Article 7.3 is preceded by the word “any”, which may suggest that more than one extension is possible. Moreover, Article 19(3) of the Basic Safeguards Regulation uses the term “extensions” in plural.

4.2. Reduced risk of trade diversion due to changes in the US Section 232 measure

- (110) 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.
- (111) This is a recurrent claim made by interested parties also in previous reviews. Therefore, the Commission assessed this issue in different occasions in the past, including the review of June 2023.⁽¹¹²⁾ In all instances, the Commission concluded that the changes in the US Section 232 measure did not alter the assessment regarding the risk of trade diversion into the Union market stemming from the US Section 232 measure⁽¹¹³⁾.
- (112) In the context of the current review, the changes to the US Section 232 measure referred to by interested parties took place before June 2023 and were therefore already part of the Commission’s assessment in that investigation. Therefore, no additional evidence was provided to the Commission that would make it depart from its assessment in 2023.
- (113) Furthermore, as explained in Section 3.2.2.(e) the information available to the Commission suggested that not only the US Section 232 measure would very likely remain in place, but that the USA and other third countries were increasing the number of trade actions against imports from third countries. Thus, increasing the risk of trade diversion from such measures, including US Section 232 measure.

4.3. The Union market is sufficiently protected by other trade defence instruments

- (114) Some parties claimed that the Union steel industry is already sufficiently protected by means of numerous anti-dumping and countervailing measures on a wide range of products. In this regard, the cumulative effect of the different trade defence instruments creates a situation of overprotection for the Union industry.
- (115) The Commission notes that each of the different trade defence instruments serve a different purpose. The safeguard is an *erga omnes* measure which deals with import surges resulting from unforeseen developments causing or threatening to cause serious injury and anti-dumping and countervailing measures are oriented to protect a domestic industry from unfair trade practices (injurious dumping or subsidisation). When the legal conditions corresponding to the imposition (or extension) of the different instruments are met, the EU or any other WTO member is entitled to use different instruments simultaneously.

⁽¹¹²⁾ 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.

⁽¹¹³⁾ See, for instance, Section 3.5 of the Third Review Regulation.

(116) In the EU, as recalled in previous investigations ⁽¹¹⁴⁾, the safeguard instrument is compatible with the application of other Trade Defence Instruments without producing excessive protection since the EU legal framework ⁽¹¹⁵⁾ provides for a mechanism to avoid double remedy on the same product. This mechanism ensures that when imports under the safeguard exceed the volume of free-of-duty TRQ, then the 25 % is not cumulated to the applicable anti-dumping and/or countervailing duty so that it does not lead to an effect on trade greater than desirable. Furthermore, the EU's General Court confirmed the legality of the Commission's practice in this respect in a challenge concerning the steel safeguard measure ⁽¹¹⁶⁾. On these grounds, the Commission rejected the above claims.

4.4. Import volumes declined and low TRQ use demonstrates low import pressure

(117) Some interested parties argued that there is less import pressure due to decreased demand and low TRQ use.

(118) However, despite a reduction in the level of TRQ use in a situation of lower consumption (-14 % in the period 2021-2023) and lower imports (-17 % in the same period), data shows that import pressure in terms of market share of imports remains high. Even while declining slightly in 2023, the market share of imports continued to be close to record levels, with a 21.5 % share. This level is significantly higher than the average market share before the adoption of definitive safeguard measures in early 2019 (16.4 %).

(119) Moreover, as explained in Section 3.2.2.(a) the combined average volumes of exhausted TRQs represented 32 % (nearly two million tonnes per quarter) of the total average volume of imports in the ongoing safeguard year. In terms of origins, the continued import pressure from certain origins in some product categories ⁽¹¹⁷⁾ despite the overall availability of TRQ volumes, contributed to the overall increase in market share of imports in the period considered in a context of decreasing demand.

(120) 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 2024.

4.5. The quick exhaustion of some TRQs indicates that there is insufficient steel for imports

(121) Some interested parties (mainly exporters and users) claimed that some TRQs are exhausted quickly or consistently and that therefore the free of duty quota volumes are insufficient. This creates allegedly shortage of supply.

(122) The Commission has assessed this claim in previous investigations and confirms also for the current review that the quick exhaustion of some TRQs 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 (see Section 3.2.2. b).

⁽¹¹⁴⁾ See Section 7.10 of the First Prolongation Review Regulation and Section 4.1.8 of the 2023 Review Regulation.

⁽¹¹⁵⁾ 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.

⁽¹¹⁶⁾ See Case T-790-19 Novolipetsk Steel PAO v. Commission

⁽¹¹⁷⁾ Some of these product categories where some TRQs were being exhausted are particularly relevant in terms of volumes (both overall and relative to their product family). They include product category 1 (hot-rolled flat) accounting for 31% of imports in 2023, 4A and 4B (metallic coated sheets) accounting for 8% and 7% of imports in 2023, 16 (wire rod) accounting for 8% of imports in 2023. These categories are in the top-6 of categories by import volume.

(123) Moreover, evidence from different parties was not conclusive of the allegation that the Union industry is not able to supply. To the contrary, the low utilisation rates in most of product categories would suggest that the sourcing from the Union industry is a real possibility.

(124) Therefore, the Commission rejected this claim.

4.6. Performance of the Union industry

(125) Some interested parties claimed that there is no evidence that the Union industry is in a vulnerable state and others raised that the injury factors identified are not attributable to an increase in imports (or a potential increase in imports), but rather to global conditions. In particular, other factors affecting the performance of the Union industry are allegedly the increase of energy costs and the increase of transportation costs. Finally, other parties mentioned that the injury has not been checked across all product categories.

(126) In this respect, the Commission notes that the requirements to prolong a safeguard measure under Article 7.1 of the WTO Agreement on Safeguards and Article 19(2) of the Basic Safeguards Regulation, namely the necessity to prevent or remedy serious injury and that the domestic industry is adjusting, do not require that an increase in imports takes place during the period considered. The Commission established that there is a likelihood that, should the safeguard lapse, imports would increase resulting in serious injury to the Union industry.

(127) With regard to the alleged necessity to demonstrate injury in all product categories, the Commission reminds that the product scope englobes all product categories as a single product, and therefore the injury assessment is done over the product covered by the investigation as whole and not per product categories. When appropriate, the Commission has shown that an analysis per product family does not change the conclusions reached at the level of the product as a whole.

(128) Therefore, the Commission rejected the above claims.

4.7. The safeguard has caused price increase and reduced competitiveness of downstream industries

(129) Some users claimed that the safeguard measure has caused an increase of prices, which is eroding the competitiveness of downstream steel using industries. Users have also claimed that imports of finished and semi-finished products have increased since they have gained competitiveness compared to the same products produced by these users in the EU, due to an increase of input costs caused by the safeguard.

(130) The Commission did not receive evidence supporting price or competitiveness claims. However, according to price information assessed by the Commission (see Section 3.4.2 on Union interest), prices in the Union market followed the same or a very similar trend than that of other markets, thus indicating that the safeguard measure was not creating an anomaly in terms of price trends in the Union.

(131) Therefore, the Commission rejected the above claims.

4.8. The Union industry is not adjusting

(132) A number of parties challenged the adjustment efforts made by the Union industry since the application of the safeguard measure. Based on that, they considered that the safeguard measure could not be extended since one of the legal requirements for extension was not met. Parties claimed that the adjustments were mainly focusing on decarbonization of the EU steel industry and also that these plans were not yet implemented.

- (133) Union producers have submitted to the Commission numerous examples of adjustments that have been decided recently and that are currently in different phases of implementation. Moreover, the Commission has found that, in addition to the examples provided by the Union industry, there were a large number of actions undertaken by Union producers of all sizes to improve competitiveness, even if market conditions were challenging. Some of these examples are mentioned in Section 3.3 of this Regulation.
- (134) Therefore, the Commission rejected the above claims.
- (135) Several interested parties argued that most of the adjustment measures of the Union industry were induced by the environmental obligations imposed by EU legislation and policies and therefore, they could not be considered as adjustments to improve competitiveness against imports.
- (136) In this respect, the Commission found that the adjustment actions undertaken by companies in whatever context normally respond to different reasons and are at the same time serving multiple objectives. Often, an adjustment to improve the environmental performance of a certain installation would bring about energy efficiency improvements or a new range of green products would also cater for growing demand. In any case, all the adjustments assessed by the Commission, either oriented at plant modernisation, process efficiency or closing down of underutilised facilities, would bring about competitiveness improvements that in a market such as the Union market equals to being better prepared to facing import competition.

5. LENGTH OF THE PROLONGATION

- (137) The Commission found that the Union steel safeguard continues to be necessary to prevent serious injury and that there is evidence that the Union industry continues implementing measures to adjust to a market situation characterised by a higher import pressure. However, according to Article 19 of the Basic Safeguards Regulation, transposing Article 7.2 of the WTO Agreement on Safeguards, the duration of a safeguard measure “*must be limited to the period of time necessary to prevent or remedy serious injury and to facilitate adjustment on the part of Union producers*”.
- (138) The maximum duration of a safeguard measure is 8 years, except for developing country WTO members. This means that the Union can only extend the existing safeguard measure until 30 June 2026 as a maximum.
- (139) In this investigation, the Commission has found that the prolongation of the measure is necessary. Some of the elements that motivated the imposition of measures in 2019 are still present, namely high level of steel overcapacity, the high number of trade defence measures applied by other countries and the risk of trade diversion from the US Section 232 measure as well as from other measures taken by third countries since 2019.
- (140) Moreover, the situation of the Union industry is currently fragile while it continues to adjust amidst high and increasing import pressure from exporting countries. The information analysed did not show any signs that any of the key elements justifying the prolongation of the measure would disappear or substantially improve in the near future.
- (141) In addition, the latest market outlooks on world steel consumption only foresee a modest recovery of +1.7% in 2024 (barely recovering 2022 figures) and of +1.2% 2025 (resulting in consumption levels remaining below 2021 volumes).
- (142) Against this background, to ensure that the measure provides an effective and meaningful safety net to Union producers, the Commission considers it appropriate to prolong the measure for two additional years until 30 June 2026. The measure will automatically lapse at the end of the 8-year period.

6. INCLUSION OF MOZAMBIQUE WITHIN THE SCOPE OF THE MEASURE

- (143) Under the EU-Southern African Development Community Economic Partnership Agreement, the EU committed to exclude imports from the Southern African Development Community ('SADC') countries from the application of multilateral safeguards for a period of 5 years. As such, when that deadline expired, the EU included imports from South Africa and most SADC members within the scope of the steel safeguard measure.⁽¹¹⁸⁾ In the case of Mozambique, this exemption expired at a later stage.
- (144) As a result, the Commission considered it appropriate to bring Mozambique within the scope of the safeguard measure as from 1 July 2024 to comply with the Most Favoured Nation ('MFN') obligation under WTO rules.
- (145) Due to the exclusion, the import data of Mozambique was not used in the original findings made by the Commission in the Definitive Safeguard Regulation concerning evidence on the existence of an increase of imports.⁽¹¹⁹⁾ This was a result of the application of the principle of parallelism,⁽¹²⁰⁾ whereby the investigating authority cannot consider in its analysis those origins excluded from the application of the measure.
- (146) Since imports from Mozambique will not be excluded from the measure any longer, the Commission needs to reassess the original findings which led to the application of definitive measures, by incorporating the import data from Mozambique already available at the time of the original investigation.
- (147) As to the assessment of the increase of imports, the table below shows the total imports into the EU covered by the steel safeguard in the period considered in the Definitive Safeguard Regulation (2013-2017), including imports from Mozambique:

Table 14

Import volume (after inclusion of Mozambique) and market share

	2013	2014	2015	2016	2017	MRP
Imports (tonnes)	18 453 646	22 011 946	26 692 843	29 283 252	30 271 064	31 476 287
Imports from Mozambique (tonnes)	25	0	0	0	492	0
	0,00014 %	0,00000 %	0,00000 %	0,00000 %	0,00163 %	0,00000 %
<i>index</i> 2013=100	100	119	145	159	164	171
Market share	12,78 %	14,48 %	16,97 %	17,97 %	18,19 %	18,88 %

Source: Eurostat and 2018 Union Industry questionnaire replies.

⁽¹¹⁸⁾ 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 products.

⁽¹¹⁹⁾ See recitals (27) to (47) of Commission Implementing Regulation (EU) 2019/159.

⁽¹²⁰⁾ Appellate Body Report, *Argentina – Safeguard Measures on Imports of Footwear* (WT/DS121/AB/R), 14 December 1999, para. 113.

- (148) Imports increased in absolute terms by 71% during the original period of analysis, as well as the import market share (from 12.78% in 2013 to 18.19% in 2017).

In view of the updated figures, the Commission confirmed that the original assessment on increased imports remains unchanged. In addition, given the insignificant amount of imports from Mozambique into the Union in relation to total imports, the Commission considered that the original findings on threat of serious injury, causation, Union interest and unforeseen developments still prevail. The updated list of developing countries included in or excluded from the measure containing Mozambique is part of the current review (Annex III.2).

- (149) Based on the above assessment, the new TRQs applicable from 1 July 2024 (Annex IV) will include imports from Mozambique.

7. ASSESSMENT OF THE FUNCTIONING OF THE MEASURE

- (150) Once the Commission concluded that the prolongation of the measure was appropriate and that imports of Mozambique should fall within the scope of the measure, the Commission examined whether technical adjustments to the functioning of the measure would be necessary. Following a detailed analysis of all the submissions received, the Commission reached the following conclusions. These conclusions are organized in the following sections, as per the structure in the Notice of Initiation.

7.1. Allocation and management of tariff rate quotas

- (151) In this section, the Commission analysed the evolution and patterns of the use of tariff rate quotas and the comments parties made in that respect. On that basis, it determined whether any adjustment resulting from changed circumstances was warranted in the Union interest.

Comments from interested parties

- (152) Some parties (Union industry) requested to eliminate the quarterly carry-over of unused quotas to the next quarter (at least for the last quarter) or alternatively, to cap the carry over to a maximum of 4 % of the TRQ unused on a quarterly basis, while others (certain exporting countries and users) requested to shift the unused country-specific quotas ('CSQ') to the residual quota of the following quarter.
- (153) In addition, certain exporting countries and users requested to remove the system of CSQ for certain categories (or even for all categories) and have the quotas administered globally within each quarter to maximize the use of quotas. Others requested that some of the TRQs currently being administered globally be administered with CSQ and residual TRQs.
- (154) The Commission also received requests to recalculate all quotas, based on a new reference period in order to capture a recent change in trade flows and requests to increase the level of quotas. Some interested parties also requested to eliminate the quotas for certain countries and to redistribute these amounts among other origins.
- (155) The Union industry requested to remove the pro-rata splitting of the 25% out-of-quota duty volumes on the day of exhaustion of a particular TRQ, among all declarations accepted on that day.

Assessment

- (156) As a preliminary observation, the Commission noted that many of the above claims were contradictory with each other. In particular, the Commission did not identify a coherent and widespread substantiated claim that would justify reassessing the existing core structure of the TRQ administration, in particular as regards the time period used for the calculation of TRQ volumes and the combination of CSQ and residual TRQs in most product categories.

- (157) The safeguard measure has been in place for about six years. The TRQ structure has proven to be effective and consistent throughout the years. Where justified, the Commission has made the necessary adjustments to the quota management in order to keep the quotas effective and up to date with market developments. However, there are basic elements of the TRQ structure that are core and provide predictability and coherence to the measure and that, therefore, the Commission does not see any reason to amend.
- (158) In this regard, as explained in previous reviews of the measure, the TRQs, whether country-specific or residual, were allocated based on the export performance in the reference period of the original investigation ⁽¹²¹⁾. This reference period cannot be changed, as suggested by a number of parties, since recalculating all TRQs based on more recent flows which are covered by the measure would be against the objective of maintaining traditional trade flows that existed before the measure was introduced.
- (159) The system of quarterly administration of TRQs has proven to be effective in bringing about stability to the Union market, avoiding overall sudden surges of imports that would destabilise the market and ensuring an orderly and predictable flow of imports throughout the year. This system also allows that traditional trade flows in terms of volumes and origins are permitted without any additional duty, and where appropriate, it has given the possibility for certain origins to increase their free-of-duty exports beyond their traditional trade flows ⁽¹²²⁾.
- (160) The current system of TRQ administration is designed to strike a balance among opposing interests. First, it works to the benefit of the Union industry because it avoids a flood of imports in a short period with the ensuing negative effects on the market. Second, it is also beneficial for certain third countries and certain Union users, which would otherwise be unduly crowded out from the market by other larger suppliers and would not be able to supply Union users, which would be in turn prevented from buying the material they need from these specific origins. Lastly, it allows larger exporting countries to exceed their traditional trade flows in most product categories by accessing the residual quota in the last quarter of a period when the incumbent suppliers were not able to fully use the quotas.
- (161) Implementing some of the changes requested by interested parties would severely disrupt the balance of interests among interested parties and would thus be against the overall Union interest and the effective functioning of the measure. This includes the Union industry request concerning the pro-rata splitting of the duty on the day of quota exhaustion. In this regard, the provisions of Article 51.4 of Commission Implementing Regulation (EU) 2015/2447 defining the pro-rata basis are applicable and do not provide for any flexibility.
- (162) Furthermore, in their submissions, parties have not provided evidence as to how the current TRQ system would not be appropriate and how the different adjustments they proposed would be in the overall Union interest (and not just in their individual interest) and compatible with the logic and a proper functioning of the measure.
- (163) For these reasons, the Commission considered that maintaining the current system of quota administration (quarterly administration and a combination of country-specific and residual quota save for few justified exceptions in the Union interest), as well as preserving the carry-over of unused quotas and the access to the residual quota in the last quarter of the safeguard year (Q4) continue to be appropriate, and that is fair *vis-a-vis* all interested parties.

⁽¹²¹⁾ See recital (33) of 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: "Lastly, the Commission also notes that the reference period used to calculate the TRQs constitutes one of the pillars in the design of the measures set ab initio by the Definitive Safeguard Regulation, and that the scope of the Review does not cover the substantial modification of the basic structure of the measures".

⁽¹²²⁾ See for instance the possibility to access the residual TRQ in the last quarter of a safeguard year (April-June).

(164) However, while the current system of TRQ administration is appropriate, the Commission nevertheless considered that it requires some technical adjustments to adapt to recent market developments, such as changes in trade flows, and to improve its effectiveness. These changes will be explained further below and will be assessed together with some claims made under Section 7.2 “Crowding out of traditional trade flows” and Section 7.6 “Other changes of circumstances”.

7.2. Crowding out of traditional trade flows

(165) Due to the system of carry-over of unused quotas from quarter to quarter within a safeguard year⁽¹²³⁾, the last quarter of the safeguard year (April-June) is usually the quarter where unused volumes are the highest. In order to maximize the use of quotas at the end of the safeguard year, the Commission introduced in the Definitive Safeguard Regulation a mechanism whereby larger exporters having exhausted their CSQ could also access the residual quota volumes in the last quarter.

(166) Under the first functioning review in 2019, the Commission observed that this system could result in undue crowding out of smaller suppliers in the residual quotas. This trend expanded to more categories after 2019. Therefore, in the functioning review of 2020, the Commission devised a system whereby the access of CSQ countries to the residual quota in the last quarter of a safeguard year would be based on the actual use of the residual quota in the previous quarters by those countries subject to the residual TRQ. This adjustment sought to protect the flows in the last quarter of smaller suppliers that are the natural beneficiaries of residual quotas⁽¹²⁴⁾.

(167) In order to minimize the displacement of traditional origins in the residual quotas, while continuing to allow additional access in those categories where it is necessary to ensure the maximum use of the quota, the Commission created a system whereby each product category would fall within one of the following three different groups, corresponding to three different access scenarios. This system fulfils one of the key principles and objectives of the safeguard measure, namely, to ensure that traditional trade flows in terms of origins are preserved.

(168) The three regimes currently in place are the following:

- No access – where incumbent suppliers under the residual quota were able to exhaust the residual quotas by themselves, and crowding out effects in the last quarter had been identified;
- Limited access – where incumbent suppliers were able to use only part of the residual quota available to them, and additional origins were needed, in limited amounts, to exhaust quotas;
- No limitation – where the residual quotas were not highly used and no crowding out effects were identified.

Comments from interested parties

(169) There were no claims concerning the current system of allowing access to CSQ countries to the residual quota of the last quarter of a safeguard year.

(170) Under this Section, the Union industry requested the Commission to investigate crowding out risks in all product categories as a result of the significant increase of imports of new exporting countries. This request is treated separately in Section 7.3.

⁽¹²³⁾ The EU safeguard year starts on 1 July of a given year and ends on 30 June of the following year.

⁽¹²⁴⁾ See Section 3.2.3 of 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.

Assessment

- (171) In overall terms, the Commission considered that the current system has proven to be fit to purpose. It ensures that Union users maximise their chances of using up the residual quota, and also that traditional trade flows within the residual quota in terms of origins are respected (which is equally in the interest of users). In addition, the Commission did not receive submissions pointing to any particular problem in the functioning of this feature of the measure.
- (172) Nevertheless, the Commission assessed whether, based on the most recent data available, crowding out in the residual quota in the last quarter had taken place. This assessment was made on the basis of import data and quota use per origin and category from 1 April 2023 until 31 March 2024.
- (173) Based on this assessment, the Commission concluded that the current system should remain in place. However, the Commission considered that it could be simplified in a way that it would ensure predictability to market operators and also prevent any potential crowding out in the future. Accordingly, the Commission considered that the functioning of the measure should be modulated by allowing two regimes, instead of the current three. The first regime, 'no access' would apply to those categories where the average use of the residual in a given category has been very high. The second regime, 'access', would apply to the other categories and it would allow access to the residual in the last quarter to the volumes that have not been used on average by the incumbent exporting countries under the residual TRQ. In a few categories a special regime continues to apply.

Adjustment

- (174) On this basis the access regimes per product category were adapted as follows (for specific volumes see Annex I (IV.3) to this Regulation):

- No access: 3B, 14, 16, 20, 26
- Access: 2, 3A, 4A, 5, 6, 9, 10, 12, 13, 15, 18, 19, 21, 22, 24, 25B, 27, 28

- (175) The categories for which this system does not apply (in line with the principles applied in the previous functioning review) are the following:

- Special regime: 1 and 4B.

The current regime that grants access to the residual quota in the last quarter to CSQ countries with a 30% cap per exporting country continues to be appropriate in order to ensure sufficient variety of sources of supply while avoiding crowding out effects through excessive additional imports beyond traditional trade flows.

- Global administration: 7, 8, 17, 25A.

The possibility to access the last quarter is not applicable, as there are no countries exporting under a country-specific quota.

- (176) Overall, by this feature, the measure would continue allowing access to the residual quota in the last quarter in the large majority of product categories. At the same time, the system ensures that the additional volumes that some countries may export under this system do not unduly crowd out countries without a CSQ. From now on, countries where there is in principle no risk of crowding out, will also be protected against a potential sudden future change in trade flows in line with the average use in the residual TRQ in the current safeguard year. This system ensures broad access of available volumes to users while preserving the effectiveness of the measure as far as Union producers are concerned. Therefore, the current system is the most suitable in the overall Union interest.

7.3. Adjustments to improve the effectiveness of the measure in certain residual TRQs

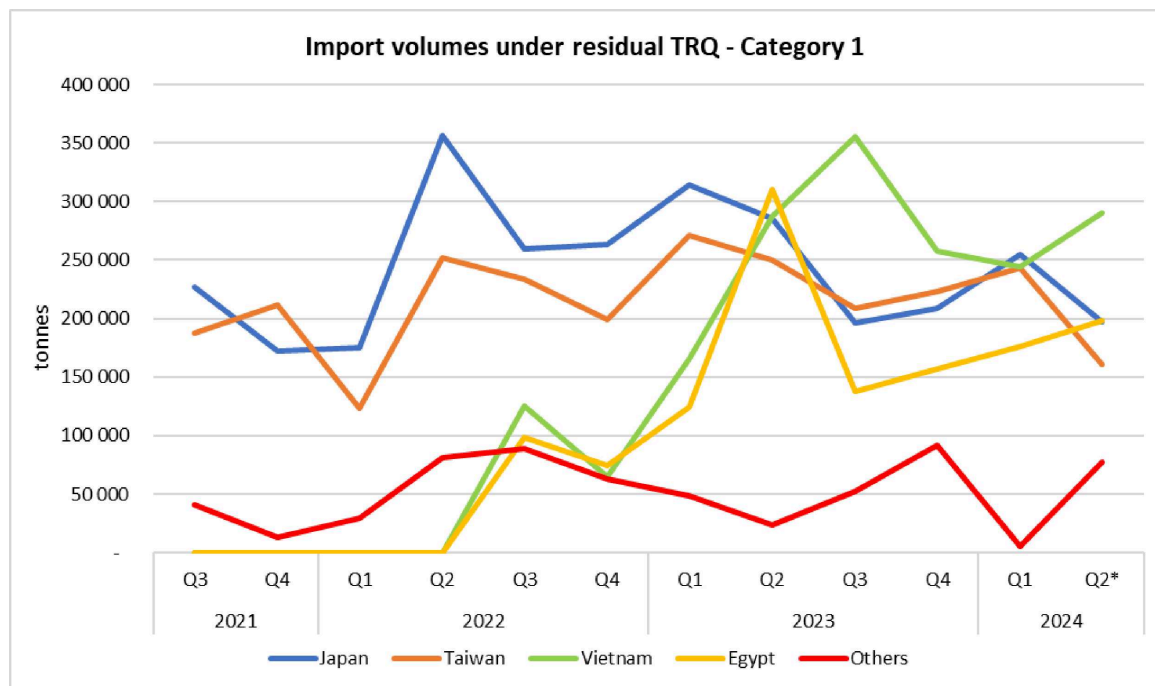
Comments by interested parties

- (177) The Commission considered that it was necessary to jointly assess certain claims made under Section 7.1 (Allocation and management of Tariff Rate Quotas), Section 7.2 (Crowding out of traditional trade flows) above and Section 7.6 (Other changes of circumstances). This is because the underlying cause motivating these claims appears to be the same.
- (178) In essence, the claims concerned a change of pattern in the trade flows in a few product categories, whereby exporters that did not export significant quantities in the period of reference (2015-2017) and therefore were not allocated country specific quotas, were entering the Union market through some residual quotas in significant volumes.
- (179) Parties claimed that this change of pattern in trade flows could be considered as a change of circumstances of a lasting nature since these new exporters had undertaken significant increases of production capacities in recent years. These flows were allegedly crowding out other origins in the residual quotas and interested parties suggested modifications in the TRQs administration. These suggested changes included the creation of CSQs to protect certain flows in residual quotas, the creation of new regimes to prevent TRQ consumption from certain origins in all quarters, the transfer of unused amounts to residual quotas in the next quarter, splitting of categories or setting up a cap in residual quotas.

Assessment

- (180) The Commission has analysed the import flows in the residual quotas in a number of categories for which interested parties had made claims.
- (181) The analysis confirmed that recent market developments have resulted in a significant decrease of exports of traditional suppliers to the Union under the residual quotas in some categories while exports from new countries of origin have increased under the same residual quotas. This change of trade flows was creating a series of negative effects to the functioning of the measure in some categories, as it will be explained below.
- (182) The Commission found that the claims were founded for two product categories. As a result, an adjustment to the functioning of the measure was necessary to ensure its effectiveness and the preservation of traditional trade flows in the Union interest.
- (a) Product category 1 – Non alloy and other alloy hot rolled sheets and strips
- (183) Product category 1 (hot-rolled flat products, 'HRF') is, in overall terms, a very important product category under the safeguard measure for various reasons. It consistently represents, by far, the largest share of imports (8.5 million tonnes in 2023) accounting for 31% of total imports under the measure in 2023. It also represents 34% of the total production of the Union industry and around 25% of its domestic sales in terms of volume. This category has many uses, and it is considered as a sort of commodity, and it is therefore particularly sensitive to price changes. HRF can be used as a final product in construction or automotive amongst others, but it is also used as input for producing further downstream products, notably product category 2 (cold-rolled flats), which then can be further processed into, for instance, category 4 (metallic coated sheets) which in turn can be processed into category 5 (organic coated steel). HRF is also used as input for producing some tubes. Therefore, because its weight over the total Union production of the product concerned and its interrelation with several other product categories, the developments on this category are particularly relevant for the effectiveness of the safeguard measure.
- (184) Therefore, due to its particular importance, an effectively managed TRQ for this category increases the chances of an effective measure overall. As a result, it has undergone special scrutiny and its functioning has been reviewed several times in previous reviews to adapt its administration to the prevailing market conditions.

- (185) In addition, the residual quota of this category is the largest individual TRQ under the measure with around 1 million tonnes initially available each quarter.
- (186) As to the current situation, since October 2023 (three consecutive quarters ⁽¹²⁵⁾), the residual TRQ has been consistently exhausted on the first day of the quarter.
- (187) This has created an imbalance on the market throughout the remainder of those quarters by making available very large amounts immediately, thus generating substantial import pressure.
- (188) Import pressure was particularly acute in this product category as imports continued to gain ground despite an overall substantial drop in steel consumption in the Union. In fact, the market share of imports in this product category reached 30% in 2023, substantially above the average for the product concerned as a whole.
- (189) The phenomenon of early exhaustion has been caused, notably, by the very strong penetration of Vietnam and Egypt, which started exporting product category 1 to the Union only in the second half of 2022, and by end-2023 accounted to more than 45% of imports under this TRQ. As a result, in some of these quarters, other smaller but historically present exporting countries in this category such as Switzerland have been crowded out.



Source: DG TAXUD TRQ database, * Until 5.4.2024 https://ec.europa.eu/taxation_customs/dds2/taric/quota_consultation.jsp.

- (190) In order to bring about more stability to the market in this important product category and hence ensure that the effectiveness of the measure is not undermined by market developments, the Commission determined that an adjustment was appropriate.

Adjustment

- (191) Based on the above, the Commission considered that imposing a limitation to the maximum volume that one single country can export under the residual TRQ on a quarterly basis was the most appropriate solution.

⁽¹²⁵⁾ Oct-Dec 2023, Jan-Mar 2024, Apr-Jun 2024.

- (192) After careful consideration of all the interests at stake, including that of the exporting countries affected and their Union users, the Commission considered that a 15% cap per single country over the TRQ volume initially available in each quarter is appropriate. ⁽¹²⁶⁾
- (193) This level of cap ensures, on the one hand, that import penetration on the first day of the quarter would be limited in volumes under the residual TRQ, hence reducing the import pressure on the market. On the other hand, it will allow the most affected exporting countries to still export relevant volumes, above their historical trade flows prior to the safeguard and generally, also above their volumes exported on the first years under the safeguard measure. In addition, it protects the interests of those Union users and exporting countries that had been consistently crowded out.
- (194) The Commission considered that this adjustment does not pose any risk to the availability of product category 1 in the Union market for a number of reasons. First, there are substantial unused CSQs from other large suppliers and there are other suppliers that may increase to some extent their presence under the residual TRQ. Second, the Union industry has capacity available to increase its domestic production, as shown in Table 5. This would contribute to bringing its capacity utilisation to healthier levels, which in turn would help the Union industry improve its overall economic performance. Lastly, given the forecasted market projections, it appears highly unlikely that the combined volumes of unused CSQs plus the capacity available of Union producers would not be sufficient to meet the demand in the future.
- (195) For these reasons the Commission considered that the adjustment is in the overall Union interest as it improves the functioning of the measure, increasing its effectiveness, while avoiding undue crowding out and ensuring sufficient diversity of supply for Union users.

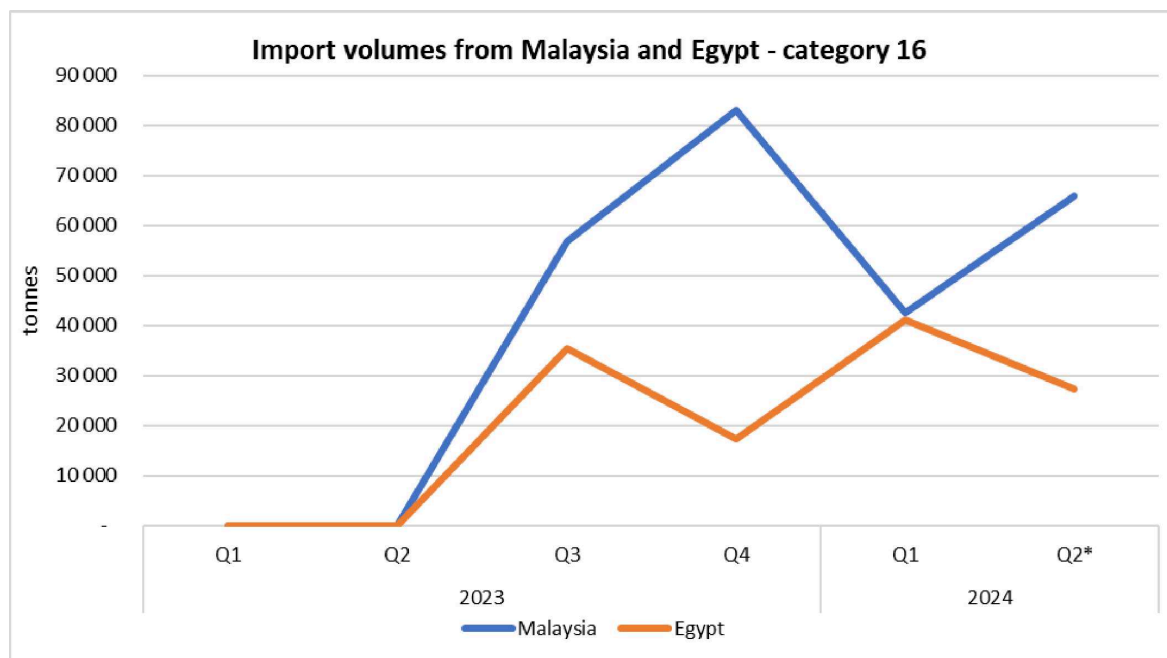
(b) Product category 16 – Non alloy and other alloy wire rod

- (196) In addition to product category 1, the Commission also found that a change in the pattern of imports was disrupting the balance of origins in the residual TRQ of product category 16 thus negatively impacting the functioning of the measure. In this category, the residual TRQ started to be filled in the first days of the quarter in two of the last three quarters assessed ⁽¹²⁷⁾.
- (197) The Commission's assessment showed that, in general, until the quarter July-September 2023 there were a diversity of exporting countries that were regularly exhausting the residual TRQ. The import share per country varied depending on the quarter. Algeria was on average ⁽¹²⁸⁾ using 39 % of the total TRQ residual volume, Bosnia and Herzegovina around 23 %, Korea 9 % and Japan 7 %. Several other countries were on average using the remaining 20 %.
- (198) In designing the definitive safeguard measure, and in the different functioning reviews, the Commission sought to preserve traditional trade flows in terms of volumes and origins. The objective of preserving traditional volumes was achieved by calculating TRQs based on past trade flows, while the objective of preserving traditional origins was achieved by establishing CSQs.
- (199) However, smaller traditional supplying countries that did not qualify for a CSQ in a given product category were potentially exposed to sudden and abrupt changes in the trade flows within their respective residual TRQs. This was precisely the situation faced by certain exporting countries in product category 16 and which prevented them from continuing exporting meaningful volumes to their detriment and that of their Union users.

⁽¹²⁶⁾ The TRQ volume initially available can be found in Annex I (IV.1) to this Regulation.

⁽¹²⁷⁾ Starting on the quarter Oct-Dec 2023.

⁽¹²⁸⁾ Period Jan 2021 to June 2023.



Source: DG TAXUD TRQ database, * Until 5.4.2024 https://ec.europa.eu/taxation_customs/dds2/taric/quota_consultation.jsp.

- (200) As of the quarter July-September 2023 the composition of origins changed abruptly within the residual TRQ in this product category, with Malaysia and Egypt suddenly exporting very large amounts. Their combined average use of this TRQ before that quarter was 0 %. However, in the last three quarters for which full data was available, their combined average share of imports reached up to 76 %. This resulted in a massive reduction of free-of-duty imports from all other exporting countries which used to have a stable presence on the Union market. In fact, some of them virtually stopped exporting under this TRQ. Notably the share of TRQ use of Bosnia and Herzegovina dropped to 2%, Korea's to 4 %, Japan's to 1 % and others' to 1 %.
- (201) Therefore, this aggressive penetration into the Union market from Malaysia and Egypt has clearly crowded out other origins that exported regularly under this TRQ by substantially reducing their presence (Algeria) or almost eliminating it completely (e.g. Bosnia and Herzegovina, Japan, Korea) to their detriment and that of their Union users.

Adjustment

- (202) Based on the above findings, the Commission considered that a limitation of the maximum volume of free-of-duty imports per country of origin and per quarter was the most appropriate action to restore a more balanced distribution of origins in this residual TRQ, and hence, ensure a better functioning of the measure. The Commission considered it appropriate to set this limitation at 15 % per single country of the TRQ initially available at the beginning of each quarter.
- (203) With this adjustment the Commission seeks to prevent undue crowding out effects on smaller traditional supplying origins, and therefore, ensure the availability to Union users of volumes from these origins. On the other hand, the 15 % cap would continue allowing the most affected exporting countries to continue exporting relevant amounts free-of-duty substantially above their historical levels, which were in some cases non-existent. Furthermore, it would allow Union users sufficient diversity of origins. Lastly, considering the consistent past performance of other countries under the residual TRQ, the Commission considers that it is reasonable to assume that the residual TRQ in this category will continue to be fully used.
- (204) The Commission considers that this adjustment is in the interest of the Union since it warrants that a variety of sources of supply is available for Union users and at the same time, prevents disruptive flows, in favour of market stability.

7.4. **Update of the list of WTO developing country Members excluded from the scope of the measure based on their most recent level of imports**

(205) According to point 2.C of the Notice of Initiation, the Commission announced that it would review whether imports from a developing WTO Member exceeded the 3% threshold in the relevant period (namely, the year 2023) and, if needed, update the list of WTO developing country Members that should be included in, or excluded from the scope of the measure.

Comments from interested parties

(206) Several parties requested an update of the list of WTO developing country members excluded from the scope of the measure using the most recent import data. The Union industry, in addition, requested the exclusion of import volumes from Ukraine from the data used for the calculation determining which developing country WTO Members are excluded from the scope of the measure.

Assessment

(207) According to Article 9 of the WTO Agreement on Safeguards and Article 18 of the Basic Safeguard Regulation, a safeguard measure shall not be applied against a product originating in a WTO developing country Member, as long as its share of imports remains below 3% of the total imports in a given product category. If the share of imports of all WTO developing country Members below the 3% threshold account for more than 9% of total imports in a given category, the safeguard measure applies to all WTO developing country members. The Commission has reviewed and updated the list of developing countries on a regular basis.

(208) The last update of the list took place in June 2023, in the context of the review investigation to assess a possible early termination of the safeguard measure ⁽¹²⁹⁾. As in previous review investigations, the Commission has updated the list of developing countries subject to and excluded from the measure based on a calculation of their share of imports using the most recently available consolidated import data, i.e. year 2023 import statistics ⁽¹³⁰⁾. No change to the methodology followed in previous reviews was deemed appropriate.

Adjustment

(209) The changes resulting from this update which are applicable from 1 July 2024 are the following (updated table in Annex II (III.2) to this Regulation):

- All developing countries are included in categories 5 and 24 because the sum of all import shares in 2023 that were below 3% is higher than 9%;
- Albania is included in category 28;
- Brazil is excluded in categories 1 and 2;
- China is included in categories 4B, 13, 17 and excluded in categories 2, 3A, 7 and 15;
- India is included in categories 25A, 27 and excluded in categories 16 and 17;
- Indonesia is excluded in category 9;
- Kazakhstan is excluded in category 19;
- Malaysia is excluded in category 9;
- North Macedonia is excluded in category 26;
- Oman is excluded in category 13;

⁽¹²⁹⁾ 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.

⁽¹³⁰⁾ Source: Eurostat

- South Africa is excluded in category 4A;
- Tunisia is included in category 4A;
- Türkiye is included in category 7;
- United Arab Emirates are included in category 25A;
- Vietnam is included in category 2 and excluded in category 26.

7.5. Level of Liberalisation

- (210) Under WTO ⁽¹³¹⁾ and EU ⁽¹³²⁾ rules, a WTO Member applying a safeguard measure shall progressively liberalise it after one year of imposition at regular intervals during the period of application. The objective of liberalisation is to progressively allow more import competition into the market while the domestic industry is adjusting to an increased level of imports.
- (211) WTO law does not establish any particular requirement as to the form or concrete pace of liberalisation, other than such liberalisation should occur progressively at regular intervals during the period of application.
- (212) The EU steel safeguard measure has been liberalised yearly since 2019 and the appropriateness of the liberalisation rate has been assessed and modified on several occasions ⁽¹³³⁾. The current yearly liberalisation rate, since July 2022, is 4%.
- (213) Within the scope of the investigation the Commission committed to assessing whether the current level of liberalisation remained appropriate or whether it should be revised.

Comments from interested parties

- (214) Some interested parties (notably exporting producers and Union users) requested that the Commission increased the level of liberalisation beyond 4%. Some exporting producers argued that the position of the Union industry was robust and alleged that trade diversion had not taken place or that its risk had diminished. The Union industry requested a decrease of the liberalisation pace based on evidence of decreased consumption levels and outlooks for the upcoming months. On that basis, the Union industry argued that there would be no risk of shortage on the Union market.

Assessment

- (215) In order to determine the appropriateness of the current level of liberalisation, the Commission conducted both a backward-looking and a forward-looking analysis.
- (216) Regarding its backward-looking assessment, data shows that the liberalisation rate has outpaced the evolution of consumption. While TRQs have been increased by almost 25 % (including the 5 % top-up applicable since February 2019), consumption decreased by -17 % over the same period. These opposing trends have therefore significantly widened the gap between the level of TRQs and the market demand.
- (217) As to the forward-looking assessment, as explained in Section 3.2.2.(h) above, the steel market has shown clear signs of deceleration. World's steel consumption saw a -1,1 % ⁽¹³⁴⁾ decline in 2023 compared to the previous year. In the Union, consumption went down at a much steeper rate, -6 % ⁽¹³⁵⁾. The latest market outlooks on world steel consumption only foresee a modest recovery of +1.7 % in 2024 (barely recovering 2022 figures) and of +1.2 % 2025 (resulting in consumption levels remaining below 2021 volumes). As shown in Section 3.2.2.(h) the outlook for the Union market is expected to follow a similar trend.

⁽¹³¹⁾ Article 7.4 of the WTO Agreement on Safeguards.

⁽¹³²⁾ Article 19(4) of the Basic Safeguard Regulation.

⁽¹³³⁾ The liberalisation level was reduced from the announced 5% to 3% in the First Functioning Review of September 2019, and it was increased from 3% to 4% as a result of the Third Functioning Review in June 2022.

⁽¹³⁴⁾ World Steel Association – Short Range Outlook (SRO) April 2024

⁽¹³⁵⁾ See Section 3.2.1. regarding evolution of consumption on the Union market.

- (218) While the levels of TRQ use have varied from country to country and from category to category, there were substantial volumes unused at the end of each safeguard year, and that continued to be the case in the ongoing sixth safeguard year ⁽¹³⁶⁾.
- (219) In view of the recent negative trends and outlook on steel consumption in the world and the Union steel market and the fact that TRQs were widely available across product categories, the Commission considered that it is not in the Union interest to increase further the current large gap between the pace of TRQ volume increase and that of steel consumption.

Adjustment

- (220) In view of the ever-growing gap between consumption (including the expected consumption) and the TRQ volumes, and the existing high levels of import pressure, which are very likely to persist, the Commission considered that maintaining or increasing the 4% rate would seriously undermine the effectiveness of the measure. In addition, the Commission confirmed that there was sufficient TRQ available generally across product categories.
- (221) Against this background, the Commission considered that establishing the liberalisation rate at 1% was appropriate to ensure the effectiveness of the measure.
- (222) Consequently, the TRQs will continue to increase yearly by 1% as of 1 July 2024 for all product categories. The specific volumes for the period 1 July 2024 – 30 June 2026 (on a quarterly basis) are set out in Annex IV.1 to this Regulation.
- (223) Together with other adjustments presented in this Regulation, this rate of liberalisation will contribute to improving the effectiveness of the measure in a period where the Union market is suffering significant import-driven tensions, caused by the negative effects of overcapacity and the resulting responses to it across the world, in a context of weak demand. Union users will continue to have sufficient free-of-duty volumes available under existing TRQs.

7.6. Other changes of circumstances that may require an adjustment to the level or allocation of the tariff-rate quota

- (224) In the Notice of Initiation, the Commission defined the scope of claims under this chapter as any other issues not falling under Sections 7.1-7.2 and 7.4-7.5 above to the extent that they concern lasting changes of circumstances as compared to the situation prevailing during the original investigation – whose effects may need to be reviewed and may justify, *inter alia*, an adjustment to the level or allocation of the tariff-rate quotas in specific product categories. Interested parties were requested to provide sufficient evidence substantiating their submissions, as well as specific proposals on how to address any developments affecting a product category.

Comments from interested parties

- (225) The requests received in this respect can be split into two types. The first type concerned changes of a lasting nature in the demand of certain product categories, and the second type concerned a change of a lasting nature with regard to new supplying countries.

(a) Increased demand for certain categories

- (226) Requests under this type referred to changes in the product scope, usually removing product categories from the scope of the measure, increasing TRQ allocations or granting a country specific quota to a particular origin on the basis of projections of a rapid increase in demand for a particular category, and where the Union industry was allegedly not able to supply in sufficient quantities.

⁽¹³⁶⁾ See Section 3.2.2.(b) of this Regulation on TRQ use.

Assessment

(227) In this regard, evidence submitted by interested parties did not justify any adjustment based on the claims made concerning changes of circumstances. The claims typically concerned specific origins within certain product categories. In all cases there were available duty-free volumes during the last three quarters (July 2023-March 2024). Therefore, such claims were not in line with the overall Union interest but rather concerned the specific preferences of given stakeholders. Claims on the availability of supply from Union producers were also extensively rebutted by the Union industry and the Commission considered that the evidence available on the file, including the TRQ use, did not support the claims concerning a potential shortage of steel.

Conclusion

(228) Therefore, the Commission concluded that there was not sufficient evidence justifying adjustments to the functioning of the steel safeguard based on changes of circumstances due to alleged future increased demand in particular product categories.

(b) Changes in trade flows – New exporting countries

(229) A number of parties (Union industry, exporters and users) raised that there had been changes in trade flows and that it represented a change of circumstance of a lasting nature. According to certain parties (Union industry) this change of trade flows is the result of a new and complex regional dynamics of global steel excess capacities that would deserve changes in the TRQ administration.

(230) Claims related to the change of trade flows were also made under Section 7.1 (Allocation and Management of TRQs) and Section 7.2 (Crowding out of traditional trade flows) above.

(231) Interested parties claimed that, while some country specific quotas remain largely unused in certain product categories, new flows are entering the Union market through residual quotas. As a result, they requested the Commission to make some adjustments to the TRQ administration.

Assessment

(232) In the investigation the Commission identified new trade flows entering the market in certain product categories. The Commission addressed these claims with the adjustments described in Section 7.3 above.

8. CHANGE OF CN CODES IN PRODUCT CATEGORIES 22, 24 AND 26

(233) On 1 January 2022, as a result of updates⁽¹³⁷⁾ to the Union customs nomenclature (CN), certain CN codes concerning steel tubes subject to the scope of the steel safeguard were modified⁽¹³⁸⁾. The product categories affected were 22 (seamless stainless tubes and pipes), 24 (other seamless tubes) and 26 (other welded pipes).

(234) This change was not reflected in the latest review of the measure⁽¹³⁹⁾ in June 2023 and as a result, the volume of imports used in that review for the purpose of the calculation of the list of developing countries was not fully accurate for these categories.

⁽¹³⁷⁾ Commission Implementing Regulation (EU) 2021/1832 of 12 October 2021 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 385, 29.10.2021, p. 1–1091).

⁽¹³⁸⁾ A total of 21 CN codes were closed and 14 CN codes were added.

⁽¹³⁹⁾ 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.

(235) As a consequence, the list of developing countries subject to the measure applying from 1 July 2023 had a material impact in two of the three categories mentioned above. Should the Commission have used the updated CN codes in its last review, the changes in the list of developing countries with respect to the list actually published on 1 July 2023 (applicable until 30 June 2024) would have been the following:

- Category 24: the 9% threshold for developing countries would have been reached. Therefore, all developing countries exporting under this category should have been subject to the measure from 1 July 2023.
- Category 26: imports from North Macedonia and Vietnam would have been below the 3% individual threshold and therefore, should have been excluded from the measure from 1 July 2023.

(236) The changes to the list of developing countries subject to the measure as a result of the change of codes is summarized as follows:

AS PUBLISHED				CORRECTED			
Country / Product group	22	24	26	Country / Product group	22	24	26
Argentina		X		Argentina		X	
Brazil		X		Brazil		X	
China	X	X	X	China	X	X	X
Egypt				Egypt		X	
India	X	X	X	India	X	X	X
Indonesia				Indonesia		X	
Kazakhstan				Kazakhstan		X	
Malaysia				Malaysia		X	
Mexico		X		Mexico		X	
Moldova				Moldova		X	
North Macedonia			X	North Macedonia		X	
Oman				Oman		X	
Türkiye			X	Türkiye		X	X
Ukraine	X	X		Ukraine	X	X	
United Arab Emirates		X		United Arab Emirates		X	
Vietnam			X	Vietnam		X	
All other developing countries				All other developing countries		X	

(237) The updated list of developing countries subject to the measure, applicable in the period 1 July 2023 – 30 June 2024, is in Annex III (III.2) to this Regulation.

(238) The practical consequences of these changes in the list of developing countries subject to the measure applying from 1 July 2023 to 30 June 2024 are the following:

- For Category 24, the fact that all developing countries should have been subject to the measure as from 1 July 2023 has no practical implication. All the countries that should have been subject to the measure would have exported through the residual quota. The residual quota was never exhausted since 1 July 2023 and the volumes remaining at the end of the period were sufficiently large to cover for the total volume of exports originating in the WTO developing country Members that should have been covered under this category. Therefore, either with the old or the new codes, none of the countries that should have been included would have had to pay duties.
- For Category 26, there is a double effect resulting from having used outdated codes. This is because the residual quota was exhausted in two quarters since 1 July 2023.⁽¹⁴⁰⁾ On the one hand, according to information from DG TAXUD⁽¹⁴¹⁾, some imports from North Macedonia and Vietnam paid the 25% duty as a result of the residual duty-free quota being filled. On the other hand, the fact that these two countries' exports were unduly accounted under the residual quota caused the exhaustion of that quota and therefore, other exporters had to unduly pay duties. For the current quarter, it is yet not known whether the residual quota for category 26 is going to be exhausted.

(239) Based on the above, the Commission acknowledges the right of the importers having paid duties in category 26 from 1 July 2023 until 31 December 2023 with respect to imports originating from certain countries to request the reimbursement of these duties to the national customs authorities in accordance with the applicable customs legislation. These countries are the following:

- Quarter 01/07/2023-30/09/2023: Bosnia and Herzegovina, Canada, Israel, India, Japan, North Macedonia, South Korea, Singapore, United States, Serbia, and Vietnam;
- Quarter 01/10/2023-31/12/2023: Australia, Bosnia and Herzegovina, Canada, India, Japan, South Korea, New Caledonia, North Macedonia, Singapore, United States, Kosovo, Serbia, and Vietnam.

(240) The acceptance of reimbursement requests for the current quarter (1 April 2024 to 30 June 2024) will be subject to additional verification on whether the payment of duties was a consequence of the Commission not having reflected the new codes in the developing countries' calculation or not.

(241) In view of Article 109 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁽¹⁴²⁾ when an amount is to be reimbursed following a judgment of the Court of Justice of the European Union, the interest to be paid should 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 on the first calendar day of each month.

9. FINAL REMARKS

(242) This Regulation amending the ongoing safeguard measure also complies with the obligations arising from the bilateral Agreements signed with certain third countries.

(243) The measure provided for in this Regulation is in accordance with the opinion of the Committee on Safeguards established under Article 3(3) of the EU Basic Safeguard Regulation and Article 22(3) of Regulation (EU) 2015/755 respectively,

⁽¹⁴⁰⁾ 01/07/2023-30/09/2023 and 01/10/2023-31/12/2023.

⁽¹⁴¹⁾ European Commission's Directorate General for Taxations and Customs Union.

⁽¹⁴²⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

HAS ADOPTED THIS REGULATION:

Article 1

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

(1) Article 1, paragraph 2, is amended as follows:

‘2. For each of the product categories concerned, and with the exception of product categories 7, 8, 17 and 25a, a part of each tariff-rate quota is allocated to the countries specified in Annex IV.’;

(2) Article 1, paragraph 3, is amended as follows:

‘3. The remaining part of each tariff-rate quota, as well as the tariff-rate quota for product categories 7, 8, 17 and 25a, 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.’;

(3) Article 1, paragraph 5, is amended as follows:

‘5. Where the relevant tariff-rate quota under paragraph 2 is exhausted for one specific country, imports from that country for some product categories can be made under the remaining part of the tariff-rate quota for the same product category. This provision shall only apply during the last quarter of each year of application of the definitive tariff-rate quota. For product categories 3B, 14, 16, 20 and 26 no further access to the remaining part of the tariff-rate quota will be allowed. For product categories 2, 3A, 4A, 5, 6, 9, 10, 12, 13, 15, 18, 19, 21, 22, 24, 25B, 27 and 28 only access to a specific volume within the tariff-rate quota volume initially available in the last quarter, will be allowed. In product categories 1 and 4B no exporting country shall be allowed to use, on its own, more than 30 % of the residual tariff-rate quota volume initially available in the last quarter of each year of application of measures.’;

(4) Paragraph 7 is added to Article 1:

‘7. A maximum import volume of 15 % per country of the available free-of duty quota at the beginning of the quarter established in Annex IV.1 to this Regulation shall be applicable to countries importing through the ‘Other countries’ quota in product categories 1 and 16. The maximum import volume applies to countries not having a country specific quota and is applicable in all quarters.’;

(5) Article 2.2, second sentence is deleted;

(6) Article 6.2 is deleted;

(7) In Article 10, the second subparagraph is modified as follows:

‘It shall apply until 30 June 2026.’;

(8) Annex IV is amended by Annex I to this Regulation;

(9) Annex III.2 is replaced from 1 July 2024 by Annex II to this Regulation;

(10) Annex III.2 is replaced from 1 July 2023 to 30 June 2024 by Annex III to this Regulation.

Article 2

1. Any safeguard duties paid in relation to imports made into the Union under product category 26 (‘other welded pipes’) from 1 July 2023 until 31 December 2023 and originating in the countries mentioned in paragraph 2 shall be repaid or remitted in accordance with the applicable customs legislation.

2. The origins of the imports subject to paragraph 1 are the following:

— for quarter 01/07/2023-30/09/2023: Bosnia and Herzegovina, Canada, Israel, India, Japan, North Macedonia, South Korea, Singapore, United States, Serbia, and Vietnam;

— for quarter 01/10/2023-31/12/2023: Australia, Bosnia and Herzegovina, Canada, India, Japan, South Korea, New Caledonia, North Macedonia, Singapore, United States, Kosovo, Serbia, and Vietnam.

3. The repayment or remission of any duties paid in relation to imports made from 1 April 2024 until 30 June 2024, will be subject to additional verification of the repayment request. The customs authorities in each Member State shall contact the European Commission before authorizing any repayment or remission request.

4. The repayment or remission shall be requested from national customs authorities in accordance with the applicable customs legislation.

Article 3

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 from 1 July 2024.

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

Done at Brussels, 24 June 2024.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX I

“ANNEX IV

IV.1 – Volumes of tariff–rate quotas

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	Year 7				Year 8				Additional duty rate	Order numbers	
				From 1.7.2024 to 30.9.2024	From 1.10.2024 to 31.12.2024	From 1.1.2025 to 31.3.2025	From 1.4.2025 to 30.6.2025	From 1.7.2025 to 30.9.2025	From 1.10.2025 to 31.12.2025	From 1.1.2026 to 31.3.2026	From 1.4.2026 to 30.6.2026			
				Volume of tariff quota (net tonnes)				Volume of tariff 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	Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8966
			Türkiye	475 173,52	475 173,52	464 843,66	470 008,59	479 925,26	479 925,26	469 492,10	474 708,68	25%	09.8967	
			India	301 703,57	301 703,57	295 144,80	298 424,18	304 720,61	304 720,61	298 096,25	301 408,43	25%	09.8968	
			Korea, Republic of	188 405,48	188 405,48	184 309,71	186 357,59	190 289,53	190 289,53	186 152,80	188 221,17	25%	09.8969	
			United Kingdom	157 607,78	157 607,78	154 181,53	155 894,66	159 183,86	159 183,86	155 723,34	157 453,60	25%	09.8976	
			Serbia	167 256,84	167 256,84	163 620,82	165 438,83	168 929,40	168 929,40	165 257,03	167 093,21	25%	09.8970	
			Other countries	945 664,87	945 664,87	925 106,94	935 385,91	955 121,52	955 121,52	934 358,01	944 739,77	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	164 886,33	164 886,33	161 301,85	163 094,09	166 535,19	166 535,19	162 914,86	164 725,03	25%	09.8801	
			Korea, Republic of	95 630,77	95 630,77	93 551,84	94 591,31	96 587,08	96 587,08	94 487,36	95 537,22	25%	09.8802	
			United Kingdom	88 383,80	88 383,80	86 462,41	87 423,10	89 267,64	89 267,64	87 327,04	88 297,34	25%	09.8977	
			Ukraine	73 421,18	73 421,18	71 825,07	72 623,12	74 155,39	74 155,39	72 543,32	73 349,35	25%	09.8803	
			Serbia	41 629,15	41 629,15	40 724,17	41 176,66	42 045,44	42 045,44	41 131,41	41 588,43	25%	09.8805	
			Other countries	338 044,38	338 044,38	330 695,59	334 369,98	341 424,82	341 424,82	334 002,54	337 713,68	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	Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8808
			United Kingdom	559,43	559,43	547,27	553,35	565,03	565,03	552,74	558,89	25%	09.8978	
			Iran, Islamic Republic of	167,77	167,77	164,12	165,95	169,45	169,45	165,76	167,61	25%	09.8809	
			Korea, Republic of	256,93	256,93	251,35	254,14	259,50	259,50	253,86	256,68	25%	09.8806	
			Other countries	858,86	858,86	840,19	849,52	867,45	867,45	848,59	858,02	25%	(³)	
3.B	Electrical Sheets (other than GOES)	7225 19 90, 7226 19 80	Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8811
			Korea, Republic of	35 566,76	35 566,76	34 793,57	35 180,17	35 922,43	35 922,43	35 141,51	35 531,97	25%	09.8812	
			China	31 278,07	31 278,07	30 598,11	30 938,09	31 590,85	31 590,85	30 904,09	31 247,47	25%	09.8813	
			Taiwan	24 462,63	24 462,63	23 930,83	24 196,73	24 707,26	24 707,26	24 170,14	24 438,70	25%	09.8814	
			Other countries	8 722,51	8 722,51	8 532,89	8 627,70	8 809,74	8 809,74	8 618,22	8 713,98	25%	(⁴)	

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	Year 7				Year 8				Additional duty rate	Order numbers
				From 1.7.2024 to 30.9.2024	From 1.10.2024 to 31.12.2024	From 1.1.2025 to 31.3.2025	From 1.4.2025 to 30.6.2025	From 1.7.2025 to 30.9.2025	From 1.10.2025 to 31.12.2025	From 1.1.2026 to 31.3.2026	From 1.4.2026 to 30.6.2026		
				Volume of tariff quota (net tonnes)				Volume of tariff quota (net tonnes)					
4.A	Metallic Coated Sheets	CN Code : 7212 50 20 TARIC Codes: 7210 41 00 20, 7210 41 00 30, 7210 49 00 20, 7210 49 00 30, 7210 61 00 20, 7210 61 00 30, 7210 69 00 20, 7210 69 00 30, 7212 30 00 20, 7212 30 00 30, 7212 50 61 20, 7212 50 61 30, 7212 50 69 20, 7212 50 69 30, 7225 92 00 20, 7225 92 00 30, 7225 99 00 11, 7225 99 00 22, 7225 99 00 23, 7225 99 00 41, 7225 99 00 45, 7225 99 00 91, 7225 99 00 92, 7225 99 00 93, 7226 99 30 10, 7226 99 30 30, 7226 99 70 11, 7226 99 70 13, 7226 99 70 91, 7226 99 70 93, 7226 99 70 94	Korea, Republic of	37 935,59	37 935,59	37 110,90	37 523,24	38 314,94	38 314,94	37 482,01	37 898,47	25%	09.8816
			India	54 225,74	54 225,74	53 046,92	53 636,33	54 768,00	54 768,00	53 577,39	54 172,70	25%	09.8817
			United Kingdom	35 743,38	35 743,38	34 966,35	35 354,86	36 100,81	36 100,81	35 316,01	35 708,41	25%	09.8979
			Other countries	477 237,17	477 237,17	466 862,45	472 049,81	482 009,54	482 009,54	471 531,07	476 770,30	25%	(⁹)
4.B	Metallic Coated Sheets	CN Codes: 7210 20 00, 7210 30 00, 7210 90 80, 7212 20 00, 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	129 629,13	129 629,13	126 811,10	128 220,12	130 925,42	130 925,42	128 079,21	129 502,32	25%	09.8821
			Korea, Republic of	168 236,08	168 236,08	164 578,78	166 407,43	169 918,44	169 918,44	166 224,56	168 071,50	25%	09.8822
			India	77 423,90	77 423,90	75 740,77	76 582,33	78 198,14	78 198,14	76 498,18	77 348,16	25%	09.8823
			United Kingdom	35 743,38	35 743,38	34 966,35	35 354,86	36 100,81	36 100,81	35 316,01	35 708,41	25%	09.8980
			Other countries	105 930,82	105 930,82	103 627,98	104 779,40	106 990,13	106 990,13	104 664,26	105 827,20	25%	(⁹)

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	Year 7				Year 8				Additional duty rate	Order numbers
				From 1.7.2024 to 30.9.2024	From 1.10.2024 to 31.12.2024	From 1.1.2025 to 31.3.2025	From 1.4.2025 to 30.6.2025	From 1.7.2025 to 30.9.2025	From 1.10.2025 to 31.12.2025	From 1.1.2026 to 31.3.2026	From 1.4.2026 to 30.6.2026		
				Volume of tariff quota (net tonnes)				Volume of tariff quota (net tonnes)					
5	Organic Coated Sheets	7210 70 80, 7212 40 80	India	79 455,26	79 455,26	77 727,97	78 591,62	80 249,82	80 249,82	78 505,25	79 377,53	25%	09.8826
			Korea, Republic of	71 808,92	71 808,92	70 247,86	71 028,39	72 527,01	72 527,01	70 950,33	71 738,67	25%	09.8827
			United Kingdom	35 255,57	35 255,57	34 489,14	34 872,35	35 608,12	35 608,12	34 834,03	35 221,08	25%	09.8981
			Taiwan	23 014,43	23 014,43	22 514,12	22 764,27	23 244,57	23 244,57	22 739,26	22 991,92	25%	09.8828
			Türkiye	15 889,17	15 889,17	15 543,76	15 716,47	16 048,07	16 048,07	15 699,19	15 873,63	25%	09.8829
			Other countries	43 331,67	43 331,67	42 389,68	42 860,67	43 764,99	43 764,99	42 813,57	43 289,28	25%	(7)
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	112 138,60	112 138,60	109 700,80	110 919,70	113 259,98	113 259,98	110 797,81	112 028,90	25%	09.8831
			United Kingdom	40 902,97	40 902,97	40 013,77	40 458,37	41 312,00	41 312,00	40 413,91	40 862,95	25%	09.8982
			Serbia	22 509,42	22 509,42	22 020,09	22 264,76	22 734,52	22 734,52	22 240,29	22 487,40	25%	09.8832
			Korea, Republic of	16 282,30	16 282,30	15 928,34	16 105,32	16 445,12	16 445,12	16 087,62	16 266,37	25%	09.8833
			Taiwan	13 537,54	13 537,54	13 243,25	13 390,40	13 672,92	13 672,92	13 375,68	13 524,30	25%	09.8834
			Other countries	37 515,08	37 515,08	36 699,54	37 107,31	37 890,24	37 890,24	37 066,54	37 478,39	25%	(8)
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, 7225 99 00	Ukraine	283 626,45	283 626,45	277 460,66	280 543,56	286 462,72	286 462,72	280 235,27	283 348,99	25%	09.8836
			Other countries	582 521,66	582 521,66	569 858,15	576 189,90	588 346,88	588 346,88	575 556,73	581 951,80	25%	(9)
			United Kingdom (to Northern Ireland from other parts of the United Kingdom)	5 298,37	5 298,37	5 183,19	5 240,78	5 351,36	5 351,36	5 235,02	5 293,19	25%	09.8498
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	Other countries	110 902,59	110 902,59	108 491,66	109 697,12	112 011,61	112 011,61	109 576,58	110 794,09	25%	(10)
			United Kingdom (to Northern Ireland from other parts of the United Kingdom)	13,44	13,41	13,15	13,30	13,58	13,58	13,28	13,43	25%	09.8491
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	50 181,76	50 181,76	49 090,85	49 636,30	50 683,58	50 683,58	49 581,76	50 132,67	25%	09.8846
			Taiwan	46 535,23	46 535,23	45 523,59	46 029,41	47 000,58	47 000,58	45 978,83	46 489,70	25%	09.8847
			India	31 102,58	31 102,58	30 426,44	30 764,51	31 413,61	31 413,61	30 730,71	31 072,16	25%	09.8848
			South Africa	27 064,27	27 064,27	26 475,92	26 770,10	27 334,92	27 334,92	26 740,68	27 037,80	25%	09.8853
			United States	25 305,11	25 305,11	24 755,00	25 030,05	25 558,16	25 558,16	25 002,55	25 280,35	25%	09.8849
			Türkiye	21 057,01	21 057,01	20 599,25	20 828,13	21 267,58	21 267,58	20 805,24	21 036,41	25%	09.8850
			Other countries	66 853,01	66 853,01	65 399,69	66 126,35	67 521,54	67 521,54	66 053,68	66 787,61	25%	(11)
			United Kingdom (to Northern Ireland from other parts of the United Kingdom)	31,50	31,50	30,81	31,15	31,81	31,81	31,12	31,46	25%	09.8492

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	Year 7				Year 8				Additional duty rate	Order numbers
				From 1.7.2024 to 30.9.2024	From 1.10.2024 to 31.12.2024	From 1.1.2025 to 31.3.2025	From 1.4.2025 to 30.6.2025	From 1.7.2025 to 30.9.2025	From 1.10.2025 to 31.12.2025	From 1.1.2026 to 31.3.2026	From 1.4.2026 to 30.6.2026		
				Volume of tariff quota (net tonnes)				Volume of tariff quota (net tonnes)					
10	Stainless Hot Rolled Quarto Plates	7219 21 10, 7219 21 90	China	4 969,75	4 969,75	4 861,71	4 915,73	5 019,45	5 019,45	4 910,33	4 964,89	25%	09.8856
			India	2 108,21	2 108,21	2 062,38	2 085,29	2 129,29	2 129,29	2 083,00	2 106,15	25%	09.8857
			South Africa	1 443,59	1 443,59	1 412,20	1 427,89	1 458,02	1 458,02	1 426,33	1 442,17	25%	09.8859
			United Kingdom	869,69	869,69	850,78	860,24	878,39	878,39	859,29	868,84	25%	09.8984
			Taiwan	802,93	802,93	785,48	794,21	810,96	810,96	793,33	802,15	25%	09.8858
			Other countries	1 053,49	1 053,49	1 030,59	1 042,04	1 064,03	1 064,03	1 040,90	1 052,46	25%	(12)
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	141 807,58	141 807,58	138 724,81	140 266,19	143 225,65	143 225,65	140 112,05	141 668,85	25%	09.8861
			United Kingdom	118 470,22	118 470,22	115 894,78	117 182,50	119 654,93	119 654,93	117 053,73	118 354,33	25%	09.8985
			Türkiye	107 140,30	107 140,30	104 811,16	105 975,73	108 211,70	108 211,70	105 859,27	107 035,48	25%	09.8862
			Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8863
			Switzerland	68 859,03	68 859,03	67 362,09	68 110,56	69 547,62	69 547,62	68 035,71	68 791,66	25%	09.8864
			Belarus	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8865
			Other countries	61 358,22	61 358,22	60 024,34	60 691,28	61 971,80	61 971,80	60 624,59	61 298,19	25%	(13)
			Other countries	61 358,22	61 358,22	60 024,34	60 691,28	61 971,80	61 971,80	60 624,59	61 298,19	25%	(13)
13	Rebars	7214 20 00, 7214 99 10	Türkiye	95 436,11	95 436,11	93 361,42	94 398,76	96 390,47	96 390,47	94 295,03	95 342,75	25%	09.8866
			Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8867
			Ukraine	44 430,34	44 430,34	43 464,46	43 947,40	44 874,64	44 874,64	43 899,11	44 386,88	25%	09.8868
			Bosnia and Herzegovina	34 333,24	34 333,24	33 586,87	33 960,06	34 676,58	34 676,58	33 922,74	34 299,66	25%	09.8869
			Moldova, Republic of	28 694,83	28 694,83	28 071,03	28 382,93	28 981,78	28 981,78	28 351,74	28 666,76	25%	09.8870
			Other countries	139 355,41	139 355,41	136 325,95	137 840,68	140 748,97	140 748,97	137 689,21	139 219,09	25%	(14)
			United Kingdom (to Northern Ireland from other parts of the United Kingdom)	2 178,07	2 178,07	2 130,72	2 154,40	2 199,85	2 199,85	2 152,03	2 175,94	25%	09.8493
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	32 082,28	32 082,28	31 384,84	31 733,56	32 403,10	32 403,10	31 698,69	32 050,89	25%	09.8871
			United Kingdom	4 688,43	4 688,43	4 586,51	4 637,47	4 735,32	4 735,32	4 632,37	4 683,85	25%	09.8986
			Switzerland	4 614,90	4 614,90	4 514,57	4 564,73	4 661,04	4 661,04	4 559,72	4 610,38	25%	09.8872
			Ukraine	3 564,33	3 564,33	3 486,84	3 525,59	3 599,97	3 599,97	3 521,71	3 560,84	25%	09.8873
			Other countries	5 206,31	5 206,31	5 093,13	5 149,72	5 258,38	5 258,38	5 144,06	5 201,22	25%	(15)

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	Year 7				Year 8				Additional duty rate	Order numbers
				From 1.7.2024 to 30.9.2024	From 1.10.2024 to 31.12.2024	From 1.1.2025 to 31.3.2025	From 1.4.2025 to 30.6.2025	From 1.7.2025 to 30.9.2025	From 1.10.2025 to 31.12.2025	From 1.1.2026 to 31.3.2026	From 1.4.2026 to 30.6.2026		
				Volume of tariff quota (net tonnes)				Volume of tariff quota (net tonnes)					
15	Stainless Wire Rod	7221 00 10, 7221 00 90	India	7 461,77	7 461,77	7 299,56	7 380,66	7 536,39	7 536,39	7 372,55	7 454,47	25%	09.8876
			Taiwan	4 811,05	4 811,05	4 706,47	4 758,76	4 859,16	4 859,16	4 753,53	4 806,35	25%	09.8877
			United Kingdom	3 865,14	3 865,14	3 781,12	3 823,13	3 903,79	3 903,79	3 818,93	3 861,36	25%	09.8987
			Korea, Republic of	2 401,99	2 401,99	2 349,77	2 375,88	2 426,01	2 426,01	2 373,27	2 399,64	25%	09.8878
			Japan	1 614,45	1 614,45	1 579,35	1 596,90	1 630,59	1 630,59	1 595,15	1 612,87	25%	09.8880
			Other countries	2 439,66	2 439,66	2 386,63	2 413,14	2 464,06	2 464,06	2 410,49	2 437,28	25%	(16)
16	Non Alloy and Other Alloy Wire Rod	7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50, 7227 90 95	United Kingdom	185 274,13	185 274,13	181 246,43	183 260,28	187 126,87	187 126,87	183 058,90	185 092,89	25%	09.8988
			Ukraine	124 576,81	124 576,81	121 868,62	123 222,72	125 822,58	125 822,58	123 087,31	124 454,95	25%	09.8881
			Switzerland	136 944,28	136 944,28	133 967,23	135 455,75	138 313,72	138 313,72	135 306,90	136 810,31	25%	09.8882
			Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8883
			Türkiye	119 010,72	119 010,72	116 423,53	117 717,13	120 200,83	120 200,83	117 587,77	118 894,30	25%	09.8884
			Belarus	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8885
			Moldova, Republic of	69 937,46	69 937,46	68 417,08	69 177,27	70 636,83	70 636,83	69 101,25	69 869,04	25%	09.8886
			Other countries	122 754,97	122 754,97	120 086,38	121 420,67	123 982,52	123 982,52	121 287,25	122 634,88	25%	(17)
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	31 630,96	31 630,96	30 943,33	31 287,14	31 947,27	31 947,27	31 252,76	31 600,01	25%	09.8891
			Other countries	68 221,22	68 221,22	66 738,15	67 479,69	68 903,44	68 903,44	67 405,53	68 154,48	25%	(18)
			United Kingdom (to Northern Ireland from other parts of the United Kingdom)	14 240,75	14 240,75	13 931,17	14 085,96	14 383,16	14 383,16	14 070,48	14 226,82	25%	09.8499
18	Sheet Piling	7301 10 00	China	7 075,96	7 075,96	6 922,14	6 999,05	7 146,72	7 146,72	6 991,36	7 069,04	25%	09.8901
			United Arab Emirates	3 501,93	3 501,93	3 425,80	3 463,87	3 536,95	3 536,95	3 460,06	3 498,51	25%	09.8902
			United Kingdom	908,13	908,13	888,38	898,26	917,21	917,21	897,27	907,24	25%	09.8990
			Other countries	340,08	340,08	332,69	336,38	343,48	343,48	336,01	339,75	25%	(19)
19	Railway Material	7302 10 22, 7302 10 28, 7302 10 40, 7302 10 50, 7302 40 00	United Kingdom	5 164,71	5 164,71	5 052,44	5 108,58	5 216,36	5 216,36	5 102,96	5 159,66	25%	09.8991
			Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8906
			Türkiye	1 573,65	1 573,65	1 539,44	1 556,54	1 589,39	1 589,39	1 554,83	1 572,11	25%	09.8908
			China	1 522,23	1 522,23	1 489,14	1 505,68	1 537,45	1 537,45	1 504,03	1 520,74	25%	09.8907
			Other countries	797,70	797,70	780,36	789,03	805,67	805,67	788,16	796,92	25%	(20)

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	Year 7				Year 8				Additional duty rate	Order numbers
				From 1.7.2024 to 30.9.2024	From 1.10.2024 to 31.12.2024	From 1.1.2025 to 31.3.2025	From 1.4.2025 to 30.6.2025	From 1.7.2025 to 30.9.2025	From 1.10.2025 to 31.12.2025	From 1.1.2026 to 31.3.2026	From 1.4.2026 to 30.6.2026		
				Volume of tariff quota (net tonnes)				Volume of tariff quota (net tonnes)					
20	Gas pipes	7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77	Türkiye	49 976,08	49 976,08	48 889,64	49 432,86	50 475,84	50 475,84	49 378,54	49 927,19	25%	09.8911
			India	19 232,37	19 232,37	18 814,27	19 023,32	19 424,69	19 424,69	19 002,41	19 213,55	25%	09.8912
			North Macedonia	7 103,37	7 103,37	6 948,95	7 026,16	7 174,41	7 174,41	7 018,44	7 096,42	25%	09.8913
			United Kingdom	6 757,17	6 757,17	6 610,28	6 683,72	6 824,74	6 824,74	6 676,38	6 750,56	25%	09.8992
			Other countries	11 229,42	11 229,42	10 985,31	11 107,36	11 341,72	11 341,72	11 095,16	11 218,44	25%	(²³)
21	Hollow sections	7306 61 10, 7306 61 92, 7306 61 99	Türkiye	99 461,66	99 461,66	97 299,45	98 380,56	100 456,28	100 456,28	98 272,45	99 364,36	25%	09.8916
			United Kingdom	53 047,35	53 047,35	51 894,15	52 470,75	53 577,82	53 577,82	52 413,09	52 995,46	25%	09.8993
			Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8917
			North Macedonia	29 364,68	29 364,68	28 726,32	29 045,50	29 658,33	29 658,33	29 013,58	29 335,96	25%	09.8918
			Ukraine	21 718,42	21 718,42	21 246,28	21 482,35	21 935,60	21 935,60	21 458,74	21 697,17	25%	09.8919
			Switzerland	16 232,19	16 232,19	15 879,32	16 055,75	16 394,51	16 394,51	16 038,11	16 216,31	25%	09.8920
			Belarus	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8921
Other countries	20 873,17	20 873,17	20 419,41	20 646,29	21 081,91	21 081,91	20 623,60	20 852,76	25%	(²³)			
22	Seamless Stainless Tubes and Pipes	7304 11 00, 7304 22 00, 7304 24 00, 7304 41 00, 7304 49 83, 7304 49 85, 7304 49 89	India	5 945,04	5 945,04	5 815,80	5 880,42	6 004,50	6 004,50	5 873,96	5 939,23	25%	09.8926
			Ukraine	3 722,57	3 722,57	3 641,64	3 682,10	3 759,79	3 759,79	3 678,06	3 718,92	25%	09.8927
			United Kingdom	1 889,57	1 889,57	1 848,49	1 869,03	1 908,46	1 908,46	1 866,98	1 887,72	25%	09.8994
			Korea, Republic of	1 170,22	1 170,22	1 144,78	1 157,50	1 181,92	1 181,92	1 156,23	1 169,07	25%	09.8928
			Japan	1 088,25	1 088,25	1 064,59	1 076,42	1 099,13	1 099,13	1 075,23	1 087,18	25%	09.8929
			China	933,70	933,70	913,40	923,55	943,03	943,03	922,53	932,78	25%	09.8931
			Other countries	2 716,63	2 716,63	2 657,57	2 687,10	2 743,79	2 743,79	2 684,14	2 713,97	25%	(²³)
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 51 81, 7304 51 89, 7304 90 00, 7304 39 50, 7304 39 82, 7304 39 83, 7304 39 88, 7304 59 82, 7304 59 83, 7304 59 89	China	38 808,17	38 808,17	37 964,52	38 386,35	39 196,26	39 196,26	38 344,16	38 770,21	25%	09.8936
			Ukraine	32 437,15	32 437,15	31 732,00	32 084,58	32 761,53	32 761,53	32 049,32	32 405,42	25%	09.8937
			Belarus	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8938
			United Kingdom	11 835,98	11 835,98	11 578,68	11 707,33	11 954,34	11 954,34	11 694,46	11 824,40	25%	09.8995
			United States	8 519,43	8 519,43	8 334,22	8 426,83	8 604,62	8 604,62	8 417,57	8 511,09	25%	09.8940
			Other countries	45 946,99	45 946,99	44 948,14	45 447,56	46 406,46	46 406,46	45 397,62	45 902,04	25%	(²⁴)
25.A	Large welded tubes	7305 11 00, 7305 12 00	Other countries	121 581,27	121 581,27	118 938,20	120 259,74	122 797,09	122 797,09	120 127,58	121 462,33	25%	(²⁵)
			United Kingdom (to Northern Ireland from other parts of the United Kingdom)	14,03	14,03	13,72	13,87	14,17	14,17	13,86	14,01	25%	09.8494

Product Number	Product category	CN Codes	Allocation by country (Where Applicable)	Year 7				Year 8				Additional duty rate	Order numbers	
				From 1.7.2024 to 30.9.2024	From 1.10.2024 to 31.12.2024	From 1.1.2025 to 31.3.2025	From 1.4.2025 to 30.6.2025	From 1.7.2025 to 30.9.2025	From 1.10.2025 to 31.12.2025	From 1.1.2026 to 31.3.2026	From 1.4.2026 to 30.6.2026			
				Volume of tariff quota (net tonnes)				Volume of tariff quota (net tonnes)						
25.B	Large welded tubes	7305 19 00, 7305 20 00, 7305 31 00, 7305 39 00, 7305 90 00	Türkiye	15 095,79	15 095,79	14 767,62	14 931,71	15 246,75	15 246,75	14 915,30	15 081,03	25%	09.8971	
			China	8 544,60	8 544,60	8 358,85	8 451,72	8 630,05	8 630,05	8 442,44	8 536,24	25%	09.8972	
			Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8973
			United Kingdom	6 201,36	6 201,36	6 066,55	6 133,95	6 263,37	6 263,37	6 127,21	6 195,29	25%	09.8996	
			Korea, Republic of	2 921,35	2 921,35	2 857,84	2 889,59	2 950,56	2 950,56	2 886,42	2 918,49	25%	09.8974	
			Other countries	6 566,11	6 566,11	6 423,36	6 494,73	6 631,77	6 631,77	6 487,60	6 559,68	25%	(26)	
26	Other Welded Pipes	7306 21 00, 7306 29 00, 7306 30 80, 7306 40 20, 7306 40 80, 7306 50 80, 7306 69 10, 7306 69 90, 7306 90 00, 7306 11 00, 7306 19 00, 7306 30 12, 7306 30 18, 7306 50 21, 7306 50 29	Switzerland	48 607,62	48 607,62	47 550,94	48 079,28	49 093,70	49 093,70	48 026,45	48 560,07	25%	09.8946	
			Türkiye	38 497,24	38 497,24	37 660,35	38 078,79	38 882,22	38 882,22	38 036,95	38 459,58	25%	09.8947	
			United Kingdom	11 756,08	11 756,08	11 500,51	11 628,30	11 873,64	11 873,64	11 615,52	11 744,58	25%	09.8997	
			Taiwan	9 108,71	9 108,71	8 910,69	9 009,70	9 199,79	9 199,79	8 999,80	9 099,80	25%	09.8950	
			China	8 161,56	8 161,56	7 984,13	8 072,85	8 243,18	8 243,18	8 063,98	8 153,58	25%	09.8949	
			Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8952
			Other countries	20 271,58	20 271,58	19 830,89	20 051,24	20 474,29	20 474,29	20 029,20	20 251,75	25%	(27)	
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	Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8956	
			Switzerland	42 629,58	42 629,58	41 702,85	42 166,22	43 055,88	43 055,88	42 119,88	42 587,88	25%	09.8957	
			United Kingdom	25 717,28	25 717,28	25 158,21	25 437,75	25 974,45	25 974,45	25 409,79	25 692,12	25%	09.8998	
			China	27 205,69	27 205,69	26 614,26	26 909,98	27 477,75	27 477,75	26 880,41	27 179,08	25%	09.8958	
			Ukraine	30 705,61	30 705,61	30 038,10	30 371,86	31 012,67	31 012,67	30 338,48	30 675,57	25%	09.8959	
			Other countries	31 896,89	31 896,89	31 203,48	31 550,19	32 215,86	32 215,86	31 515,52	31 865,69	25%	(28)	
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	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8961	
			China	79 826,78	79 826,78	78 091,41	78 959,10	80 625,05	80 625,05	78 872,33	79 748,69	25%	09.8962	
			Russian Federation	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	not applicable	25%	09.8963
			Türkiye	51 945,98	51 945,98	50 816,72	51 381,35	52 465,44	52 465,44	51 324,89	51 895,16	25%	09.8964	
			Ukraine	39 174,24	39 174,24	38 322,63	38 748,44	39 565,99	39 565,99	38 705,86	39 135,92	25%	09.8965	
			Other countries	49 942,21	49 942,21	48 856,51	49 399,36	50 441,63	50 441,63	49 345,07	49 893,35	25%	(29)	
			United Kingdom (to Northern Ireland from other parts of the United Kingdom)	191,95	191,95	187,78	189,86	193,87	193,87	189,65	191,76	25%	09.8495	

- (f) From 1.7 to 31.3: 09.8601
From 1.4 to 30.6: 09.8602
From 1.7 to 30.6: For Egypt: 09.8450, for Vietnam: 09.8451, for Japan: 09.8452, for Taiwan: 09.8453, for Australia: 09.8454, for Switzerland: 09.8455, for United States: 09.8456, for Libya: 09.8457 and for Canada: 09.8458
From 1.4 to 30.6: For Türkiye*: 09.8572, for India*: 09.8573, for Korea, Republic of*: 09.8574, for Serbia*: 09.8575 and for United Kingdom*: 09.8599 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (g) From 1.7 to 31.3: 09.8603
From 1.4 to 30.6: 09.8604
From 1.4 to 30.6: For India*, Korea, Republic of*, United Kingdom* and Serbia*: 09.8567 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (h) From 1.7 to 31.3: 09.8605
From 1.4 to 30.6: 09.8606
From 1.4 to 30.6: For Korea, Republic of*, United Kingdom* and Iran, Islamic Republic of*: 09.8568 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (i) From 1.7 to 31.3: 09.8607
From 1.4 to 30.6: 09.8608
- (j) From 1.7 to 31.3: 09.8609
From 1.4 to 30.6: 09.8610
From 1.4 to 30.6: For Korea, Republic of*, United Kingdom* and India*: 09.8570 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (k) From 1.7 to 31.3: 09.8611
From 1.4 to 30.6: 09.8612
From 1.4 to 30.6: For China*: 09.8581, for Korea, Republic of*: 09.8582, for India*: 09.8583 and for United Kingdom*: 09.8584 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (l) From 1.7 to 31.3: 09.8613
From 1.4 to 30.6: 09.8614
From 1.4 to 30.6: For Korea, Republic of*, United Kingdom*, Taiwan* and Türkiye*: 09.8560 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (m) From 1.7 to 31.3: 09.8615
From 1.4 to 30.6: 09.8616
From 1.4 to 30.6: For China*, Korea, Republic of*, United Kingdom*, Taiwan* and Serbia*: 09.8576 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (n) From 1.7 to 31.3: 09.8617
From 1.4 to 30.6: 09.8618
From 1.7 to 31.3: 09.8619
From 1.4 to 30.6: 09.8620
- (o) 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* and Türkiye* 09.8510 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (p) From 1.7 to 31.3: 09.8623
From 1.4 to 30.6: 09.8624
From 1.4 to 30.6: For China*, United Kingdom*, India*, South Africa* and Taiwan*: 09.8591 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (q) From 1.7 to 31.3: 09.8625
From 1.4 to 30.6: 09.8626
From 1.4 to 30.6: For China*, United Kingdom*, Türkiye* and Switzerland*: 09.8592 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (r) From 1.7 to 31.3: 09.8627
From 1.4 to 30.6: 09.8628
From 1.4 to 30.6: For Türkiye*, Bosnia and Herzegovina* and Moldova, Republic of*: 09.8593 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (s) From 1.7 to 31.3: 09.8629
From 1.4 to 30.6: 09.8630
From 1.7 to 31.3: 09.8631
From 1.4 to 30.6: 09.8632
From 1.4 to 30.6: For India*, Taiwan*, United Kingdom*, Korea, Republic of* and Japan*: 09.8595 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (t) From 1.7 to 31.3: 09.8633
From 1.4 to 30.6: 09.8634
From 1.7 to 30.6: For Malaysia: 09.8460, for Algeria: 09.8461, for Egypt: 09.8462, for Bosnia and Herzegovina: 09.8463, for Korea, Republic of: 09.8464, for Japan: 09.8466, for Indonesia: 09.8465 and for Serbia: 09.8467
- (u) From 1.7 to 31.3: 09.8635
From 1.4 to 30.6: 09.8636
- (v) From 1.7 to 31.3: 09.8637
From 1.4 to 30.6: 09.8638
From 1.4 to 30.6: For United Kingdom*, China* and United Arab Emirates*: 09.8580 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (w) From 1.7 to 31.3: 09.8639
From 1.4 to 30.6: 09.8640
From 1.4 to 30.6: For United Kingdom*, China* and Türkiye*: 09.8585 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (x) From 1.7 to 31.3: 09.8641
From 1.4 to 30.6: 09.8642
- (y) From 1.7 to 31.3: 09.8643
From 1.4 to 30.6: 09.8644
From 1.4 to 30.6: For United Kingdom*, North Macedonia*, Switzerland* and Türkiye*: 09.8530 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (z) From 1.7 to 31.3: 09.8645
From 1.4 to 30.6: 09.8646
From 1.4 to 30.6: For India*, United Kingdom*, Korea, Republic of*, Japan* and China*: 09.8597 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (aa) From 1.7 to 31.3: 09.8647
From 1.4 to 30.6: 09.8648
From 1.4 to 30.6: For China*, United Kingdom* and United States*: 09.8586 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (ab) From 1.7 to 31.3: 09.8657
From 1.4 to 30.6: 09.8658
- (ac) From 1.7 to 31.3: 09.8659
From 1.4 to 30.6: 09.8660
From 1.4 to 30.6: For United Kingdom*, China*, Korea, Republic of* and Türkiye*: 09.8587 *In case of exhaustion of their specific quotas in accordance with Article 1.5
- (ad) From 1.7 to 31.3: 09.8651
From 1.4 to 30.6: 09.8652
From 1.4 to 30.6: For Switzerland*, Türkiye*, United Kingdom*, Taiwan* and China*: 09.8588 *In case of exhaustion of their specific quotas in accordance with Article 1.5

(²⁶) From 1.7 to 31.3: 09.8653
 From 1.4 to 30.6: 09.8654
 From 1.4 to 30.6: For Switzerland*, United Kingdom* and China *: 09.8539 *In case of exhaustion of their specific quotas in accordance with Article 1.5

(²⁷) From 1.7 to 31.3: 09.8655
 From 1.4 to 30.6: 09.8656
 From 1.4 to 30.6: For Türkiye* and China *: 09.8598 *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 7				Year 8			
		From 1.7.2024 to 30.9.2024	From 1.10.2024 to 31.12.2024	From 1.1.2025 to 31.3.2025	From 1.4.2025 to 30.6.2025	From 1.7.2025 to 30.9.2025	From 1.10.2025 to 31.12.2025	From 1.1.2026 to 31.3.2026	From 1.4.2026 to 30.6.2026
		Volume of tariff quota (net tonnes)				Volume of tariff quota (net tonnes)			
1	Other countries	945 664,87	945 664,87	925 106,94	935 385,91	955 121,52	955 121,52	934 358,01	944 739,77
2	Other countries	338 044,38	338 044,38	330 695,59	334 369,98	341 424,82	341 424,82	334 002,54	337 713,68
3.A	Other countries	858,86	858,86	840,19	849,52	867,45	867,45	848,59	858,02
3.B	Other countries	8 722,51	8 722,51	8 532,89	8 627,70	8 809,74	8 809,74	8 618,22	8 713,98
4.A	Other countries	477 237,17	477 237,17	466 862,45	472 049,81	482 009,54	482 009,54	471 531,07	476 770,30
4.B	Other countries	105 930,82	105 930,82	103 627,98	104 779,40	106 990,13	106 990,13	104 664,26	105 827,20
5	Other countries	43 331,67	43 331,67	42 389,68	42 860,67	43 764,99	43 764,99	42 813,57	43 289,28
6	Other countries	37 515,08	37 515,08	36 699,54	37 107,31	37 890,24	37 890,24	37 066,54	37 478,39
7	Other countries	582 521,66	582 521,66	569 858,15	576 189,90	588 346,88	588 346,88	575 556,73	581 951,80
8	Other countries	110 902,59	110 902,59	108 491,66	109 697,12	112 011,61	112 011,61	109 576,58	110 794,09
9	Other countries	66 853,01	66 853,01	65 399,69	66 126,35	67 521,54	67 521,54	66 053,68	66 787,61

Product Number	Allocation by country (Where Applicable)	Year 7				Year 8			
		From 1.7.2024 to 30.9.2024	From 1.10.2024 to 31.12.2024	From 1.1.2025 to 31.3.2025	From 1.4.2025 to 30.6.2025	From 1.7.2025 to 30.9.2025	From 1.10.2025 to 31.12.2025	From 1.1.2026 to 31.3.2026	From 1.4.2026 to 30.6.2026
		Volume of tariff quota (net tonnes)				Volume of tariff quota (net tonnes)			
10	Other countries	1 053,49	1 053,49	1 030,59	1 042,04	1 064,03	1 064,03	1 040,90	1 052,46
12	Other countries	61 358,22	61 358,22	60 024,34	60 691,28	61 971,80	61 971,80	60 624,59	61 298,19
13	Other countries	139 355,41	139 355,41	136 325,95	137 840,68	140 748,97	140 748,97	137 689,21	139 219,09
14	Other countries	5 206,31	5 206,31	5 093,13	5 149,72	5 258,38	5 258,38	5 144,06	5 201,22
15	Other countries	2 439,66	2 439,66	2 386,63	2 413,14	2 464,06	2 464,06	2 410,49	2 437,28
16	Other countries	122 754,97	122 754,97	120 086,38	121 420,67	123 982,52	123 982,52	121 287,25	122 634,88
17	Other countries	68 221,22	68 221,22	66 738,15	67 479,69	68 903,44	68 903,44	67 405,53	68 154,48
18	Other countries	340,08	340,08	332,69	336,38	343,48	343,48	336,01	339,75
19	Other countries	797,70	797,70	780,36	789,03	805,67	805,67	788,16	796,92
20	Other countries	11 229,42	11 229,42	10 985,31	11 107,36	11 341,72	11 341,72	11 095,16	11 218,44
21	Other countries	20 873,17	20 873,17	20 419,41	20 646,29	21 081,91	21 081,91	20 623,60	20 852,76
22	Other countries	2 716,63	2 716,63	2 657,57	2 687,10	2 743,79	2 743,79	2 684,14	2 713,97
24	Other countries	45 946,99	45 946,99	44 948,14	45 447,56	46 406,46	46 406,46	45 397,62	45 902,04
25.A	Other countries	121 581,27	121 581,27	118 938,20	120 259,74	122 797,09	122 797,09	120 127,58	121 462,33

Product Number	Allocation by country (Where Applicable)	Year 7				Year 8			
		From 1.7.2024 to 30.9.2024	From 1.10.2024 to 31.12.2024	From 1.1.2025 to 31.3.2025	From 1.4.2025 to 30.6.2025	From 1.7.2025 to 30.9.2025	From 1.10.2025 to 31.12.2025	From 1.1.2026 to 31.3.2026	From 1.4.2026 to 30.6.2026
		Volume of tariff quota (net tonnes)				Volume of tariff quota (net tonnes)			
25.B	Other countries	6 566,11	6 566,11	6 423,36	6 494,73	6 631,77	6 631,77	6 487,60	6 559,68
26	Other countries	20 271,58	20 271,58	19 830,89	20 051,24	20 474,29	20 474,29	20 029,20	20 251,75
27	Other countries	31 896,89	31 896,89	31 203,48	31 550,19	32 215,86	32 215,86	31 515,52	31 865,69
28	Other countries	49 942,21	49 942,21	48 856,51	49 399,36	50 441,63	50 441,63	49 345,07	49 893,35

IV.3 – Maximum volume of residual quota accessible in the last quarter to countries with a country specific quota

Product category	New allocated quota in tonnes	
	From 1.4.2025 to 30.6.2025	From 1.4.2026 to 30.6.2026
1	Special regime	Special regime
2	158 616,97	160 203,14
3.A	821,13	829,34
3.B	No access to the residual quota in Q4	No access to the residual quota in Q4
4.A	94 249,03	95 191,52
4.B	Special regime	Special regime
5	7 675,20	7 751,95
6	8 326,69	8 409,96
7	Not applicable	Not applicable
8	Not applicable	Not applicable
9	47 390,04	47 863,95
10	541,85	547,27
12	37 204,21	37 576,25
13	45 515,47	45 970,62
14	No access to the residual quota in Q4	No access to the residual quota in Q4
15	2 185,29	2 207,14
16	No access to the residual quota in Q4	No access to the residual quota in Q4
17	Not applicable	Not applicable
18	207,40	209,47
19	480,41	485,22
20	No access to the residual quota in Q4	No access to the residual quota in Q4
21	4 053,74	4 094,28
22	2 601,14	2 627,16
24	24 365,76	24 609,41
25.A	Not applicable	Not applicable
25.B	2 698,83	2 725,82
26	No access to the residual quota in Q4	No access to the residual quota in Q4
27	25 516,97	25 772,14
28	36 703,68	37 070,72"

ANNEX II

"ANNEX III.2

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

List of product categories originating in developing countries to which the definitive measures apply from 1 July 2024

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	25-A	25-B	26	27	28
Albania							X																	X					X
Brazil							X																	X					
China				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					
India	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					
Malaysia							X										X							X					
Moldova							X							X			X							X					
North Macedonia							X		X				X									X	X		X				
Oman							X																	X					
South Africa							X			X	X	X												X					
Tunisia					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	X	X
Ukraine	X	X					X							X			X					X	X	X				X	X
United Arab Emirates							X											X	X		X			X	X				
Vietnam	X	X		X	X	X	X				X													X					
All other developing countries							X																	X"					

ANNEX III

“ANNEX III.2

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

List of product categories originating in developing countries to which the definitive measures apply from 1 July 2023 to 30 June 2024

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	25-A	25-B	26	27	28
Argentina						X	X																	X		X			X
Brazil	X	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			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			X
Kazakhstan						X	X													X				X		X			X
Malaysia						X	X				X						X							X		X			X
Mexico						X	X																	X		X			X
Moldova						X	X							X			X							X		X			X
North Macedonia						X	X		X				X								X	X		X		X			X
Oman						X	X							X										X		X			X
South Africa					X	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	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			X”