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**Council for Trade in Goods
Committee on Safeguards**

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**IMMEDIATE NOTIFICATION TO THE COUNCIL FOR TRADE IN GOODS
OF THE RESULTS OF THE CONSULTATIONS UNDER ARTICLE 12.3**

JOINT COMMUNICATION OF BRAZIL AND THE EUROPEAN UNION

Certain steel products

The following communication, dated 30 April 2019, is being circulated at the request of the Delegations of Brazil and the European Union (EU).

Pursuant to Article 12.5 of the WTO Agreement on Safeguards (Safeguards Agreement), Brazil and the European Union are notifying the interim results of the consultations conducted under Article 12.3 of the Safeguards Agreement. Documents G/SG/N/6/EU/1 (dated 27 March 2018), G/SG/N/6/EU/1/Suppl.1 (dated 29 June 2018), G/SG/N/7/EU/1 and G/SG/N/11/EU/1 (dated 18 July 2018), G/SG/N/8/EU/1 - G/SG/N/10/EU/1 - G/SG/N/11/EU/1/Suppl.1 (dated 4 January 2019) G/SG/N/8/EU/1/Suppl.1 - G/SG/N/10/EU/1/Suppl.1 - G/SG/N/11/EU/1/Suppl.2 (dated 7 February 2019) contain notifications from the European Union concerning measures taken under the Safeguards Agreement concerning certain steel products. Document G/L/1296 - G/SG/N/12/BRA/3 (dated 19 February 2019) contains a notification from Brazil concerning its intention to suspend concessions and other obligations to the EU trade under Article 8.2 of the Safeguards Agreement. The European Union responded to this notification by means of Document G/L/1300 - G/SG/N/12/BRA/3/Suppl.1 (dated 28 February 2019), which was followed by the Brazilian communication G/L/1301 - G/SG/N/12/BRA/3/Suppl.2 (dated 5 March 2019).

On 14 and 31 January 2019, the European Union and Brazil conducted consultations with a view to discuss the information related to the EU safeguard measures on certain steel products, exchange views on the safeguard measures, and reach an understanding on ways to achieve the objective set out in Article 8.1 of the Safeguards Agreement. During these consultations, Brazil and the EU expressed different views on, inter alia, the legality of the EU measures, the effects of the EU measures on certain steel products exported by Brazil and the adequate means of trade compensation.

On 18 February 2019 Brazil submitted to the European Union a calculation of adverse effects and requested compensation therefor under Article 8.1 of the Safeguards Agreement. Following discussions on this subject held on 18 March 2019 and 26 March 2019, the European Union and Brazil reached a joint compromise on the need to continue the process of consultations.

Without prejudice to the positions expressed by both parties in their respective notifications¹ on the right to suspend concessions, they have agreed to extend the 90-day period foreseen in Article 8.2 of the Safeguards Agreement to exercise any potential suspension of concessions until 30 September 2019. This agreement will allow both parties to seek an understanding on ways to achieve the objective set out in Article 8.1 of the WTO Agreement on Safeguards, taking into account the results of the review of the EU safeguard measures, which is to be finalized within this timeframe.

¹ Document G/L/1296 - G/SG/N/12/BRA/3, Document G/L/1300 - G/SG/N/12/BRA/3/Suppl.1 and Document G/L/1301 - G/SG/N/12/BRA/3/Suppl.2.

This agreed extension is without prejudice to Brazil's and the European Union's rights and obligations under the Safeguards Agreement.
