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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 THE EUROPEAN UNION AND THE REPUBLIC OF KOREA

Certain steel products

The following communication, dated 30 April 2019, is being circulated at the request of the Delegations of the European Union and the Republic of Korea.

Pursuant to Article 12.5 of the WTO Agreement on Safeguards (Safeguards Agreement), the European Union and the Republic of Korea are notifying the 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.

On 11 January 2019, the European Union and the Republic of Korea conducted consultations with a view to discuss the information provided in the above-mentioned documents, dated 4 January 2019, related to the safeguard measure on certain steel products. The European Union and the Republic of Korea discussed the relevant information and exchanged views on the measure.

The Republic of Korea contested the legality and proportionality of the measures. It considered that the analysis should have been carried out on a product category basis. The Republic of Korea argued that the volume of the tariff-rate quotas (TRQs) should have been increased by more than 5%, due to a higher demand for certain product categories. The Republic of Korea drew the attention of the European Union to potential errors in the calculation of the level of the TRQ in a product category.

The European Union disagreed with the statements questioning the legality and proportionality of the measures, as well as with the need to increase the volumes of TRQs. The European Union informed the Republic of Korea that it would re-examine the TRQ levels in one product category.

The Republic of Korea requested the exclusion of certain steel products from SG imposition to respond to increasing market demand. The European Union responded that a review process would reflect any necessary adjustment to the measures.

To maintain a substantially equivalent level of concessions, the Republic of Korea raised the necessity of trade compensation for its adversely affected trade interests pursuant to Article 8.1 of the Agreement on Safeguards. The Republic of Korea suggested a specific amount for the compensation. The European Union disagreed with Korea on the necessity of and the suggested amount for the compensation.

The Republic of Korea reserved its right to suspend the application of substantially equivalent concessions or other obligations under Article 8 of the Agreement on Safeguards.