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

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**IMMEDIATE NOTIFICATION UNDER ARTICLE 12.5 OF THE AGREEMENT
ON SAFEGUARDS TO THE COUNCIL FOR TRADE IN GOODS OF
PROPOSED SUSPENSION OF CONCESSIONS AND OTHER
OBLIGATIONS REFERRED TO IN PARAGRAPH 2 OF
ARTICLE 8 OF THE AGREEMENT ON SAFEGUARDS**

REPUBLIC OF KOREA

The following communication, dated 2 April 2019, is being circulated at the request of the Delegation of the Republic of Korea.

Pursuant to Article 12.5 of the Agreement on Safeguards, and in accordance with the agreed format for notifications (G/SG/1, 1 July 1996; amended 19 October 2009, G/SG/1/Rev.1 - G/SG/N/6/Rev.1 - G/SG/89), the Republic of Korea provides the immediate notification to the Council for Trade in Goods of the proposed suspension of concessions and other obligations referred to in paragraph 2 of Article 8.

1. Which Member is proposing suspension of concessions and other obligations referred to in Article 8.2

The Republic of Korea

2. Specify the measure, the product subject to the measure, the WTO document that notified the safeguard measure, and the Member imposing the measure in relation to which the Member is proposing suspension of concessions and other obligations referred to in Article 8.2 of the Agreement on Safeguards

On 1 February 2019, the European Union imposed definitive safeguard measures on imports of certain steel products, effective from 2 February 2019 to 30 June 2021. Those measures replaced the provisional safeguard measures in place since 18 July 2018.

The safeguard measures at issue were notified in WTO documents G/SG/N/8/EU/1 - G/SG/N/10/EU/1 - G/SG/N/11/EU/1/Suppl.1; G/SG/N/8/EU/1/Suppl.1 - G/SG/N/10/EU/1/Suppl.1 - G/SG/N/11/EU/1/Suppl.2.

3. Describe the proposed suspension of concessions and other obligations referred to in Article 8.2 of the Agreement on Safeguards, and the proposed date from which it will come into effect

The Republic of Korea provides this written notification in order to achieve the highest degree of legal certainty that, in all circumstances, its rights to suspend the application of substantially equivalent concessions or other obligations pursuant to Article 8 of the Agreement on Safeguards are fully protected. The Republic of Korea hereby reserves the right to withdraw, modify, supplement or replace this notification, and/or make a further notification or notifications, should it deem that appropriate, including in light of any subsequent developments.

The proposed suspension of substantially equivalent concessions and other obligations under GATT 1994 to the trade of the European Union will take the form of an increase in duties on selected

products originating in the European Union. The substantially equivalent concessions or other obligations under GATT 1994 were calculated as indicated in Annex I. The details of the suspension of concessions and other obligations will be provided to the Council for Trade in Goods before their application.

Without prejudice to the effective exercise of its right to suspend substantially equivalent concessions or other obligations referred to in Article 8.2, the Republic of Korea hereby reserves its right to apply the proposed suspension from 19 July 2021 in case the European Union decides to extend the period of application of the measure in accordance with Article 7 of the Agreement on Safeguards or the fifth day following the date of a decision from the WTO Dispute Settlement Body that the measures imposed by the European Union are not in conformity with the WTO Agreement, if that is earlier.

The Republic of Korea also reserves its right to suspend substantially equivalent concessions or other obligations upon the expiration of the 30 days from the day on which the written notice of such suspension is received by the Council for Trade in Goods to the extent that the measures have not been taken as a result of an absolute increase in imports.

The suspension of concessions and other obligations will continue to apply until the European Union's safeguard measures are lifted.

ANNEX I

The substantially equivalent concessions or other obligations under GATT 1994 were calculated as follows:

1. Application by the European Union of the tariff increase of 25% on out-of-quota imports of certain steel products from the Republic of Korea would result in € 56.8 million of duty collected, based on the export volume and value in 2017. The details of the calculation are provided below.

$$\frac{A(\text{Volume of Korea's exports}) - C(\text{Volume of TRQ for Korea})}{A(\text{Volume of Korea's exports})} \times B(\text{Value of Korea's exports}) \times (25\% \text{ Tariff})$$

(unit : ton, € 1,000)

Product Number	Product category*	2017 Korea's Exports to the EU		Volume of TRQ for Korea** (C)	Theoretical additional duty collected
		Volume (A)	Value (B)		
1	Non Alloy and Other Alloy Hot Rolled Sheets and Strips	603,027	300,906	538,746	8,019
2	Non Alloy and Other Alloy Cold Rolled Sheets	433,975	259,172	374,825	8,831
4	Metallic Coated Sheets	842,498	600,964	828,294	2,533
5	Organic Coated Sheets	289,655	267,278	268,275	4,932
7	Non Alloy and Other Alloy Quarto Plates	531,773	285,897	363,425	22,627
12	Non Alloy and Other Alloy Merchant Bars and Light Sections	52,734	36,815	50,912	318
13	Rebars	93	57	34	9
14	Stainless Bars and Light Sections	361	1,386	279	78
15	Stainless Wire Rod	10,123	20,139	8,566	774
17	Angles, Shapes and Sections of Iron or Non Alloy Steel	31,243	14,857	26,909	515
22	Seamless Stainless Tubes and Pipes	4,647	27,247	4,281	536
24	Other Seamless Tubes	21,411	27,983	21,391	6
25	Large Welded Tubes	49,817	62,649	25,826	7,543
27	Non Alloy and Other Alloy Cold Finished Bars	6,574	7,244	6,262	86
Total					56,809

* The product categories out-of-quota imports of which are not expected to exist (i.e. theoretical additional duty collected = 0) are excluded.

** The volume of TRQ for each product was calculated as follows:

1. (for products subject to CSQs) the average level of country-specific tariff-rate quotas (CSQ) for Years 1, 2 and 3
2. (for products not subject to CSQs) the average value of 105%, 110%, and 115% of the average level of exports from Korea to the EU in the period 2015-2017

2. Among the aforementioned theoretical additional duty collected of € 56.8 million, € 22.63 million reflects the European Union's tariff increase of 25% on out-of-quota imports of "non alloy and other alloy quarto plates" from the Republic of Korea. This is the steel product for which the European Union's safeguard measures have not been taken as a result of an absolute increase in imports.

* On the basis of the information included in Annex II of Commission Implementing Regulation (EU) 2019/159, the world imports into the European Union of non alloy and other alloy quarto plates did not increase in absolute terms over the period 2013-MRP.

Product Number	Product category	2013	2014	2015	2016	2017	MRP
7	Non Alloy and Other Alloy Quarto Plates	1,439,430	1,968,634	2,573,220	2,834,744	2,549,694	2,374,170