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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 SEPARATE CUSTOMS
TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU**

Certain steel products

The following communication, dated 19 June 2019, is being circulated at the request of the Delegations of the European Union and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.

Pursuant to Article 12.5 of the WTO Agreement on Safeguards (Safeguards Agreement), the European Union and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu 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 - 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 10 January 2019, the European Union and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu conducted consultations with a view to discuss the information provided in the above documents dated 4 January 2019, related to the safeguard measure on certain steel products. Both sides discussed the relevant information and exchanged views on the measure.

In particular, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu underlined that the legal requirements to impose safeguard measures were not met. It proposed that the analysis should be carried out on a product category level, instead of at a global level, and inquired about the details of the tariff-rate quota administration, making proposals in this regard and asking for clarifications for specific product categories.

The European Union disagreed with the claims regarding the legality of the measures and with the proposed analysis on a product category level. The European Union provided the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu with the clarifications about the measures that were requested.

The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu reserved its right to request compensation pursuant to Article 8 paragraph 1 of the Agreement on Safeguards. The European Union took note of this point.

The European Union and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu have agreed to continue the process of consultations. For this purpose, they have further agreed that the 90-day period set forth in Article 8.2 of the Safeguards Agreement and Article XIX:3(a) of the General Agreement on Tariffs and Trade 1994 shall be considered to expire as between them on 30 June 2021.

Without prejudice to the effective exercise of its right to suspend substantially equivalent concessions or other obligations referred to in Article 8.2, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu fully preserves its right to apply a suspension of concessions from 30 June 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 report adopted by or notified to 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.

This agreement will fully preserve the European Union's and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu's reciprocal rights and obligations under the Agreement on Safeguards and the General Agreement on Tariffs and Trade 1994.
